

SEPTEMBER 1954

TWENTY CENTS

The American FEDERATIONIST

THE COMING CONVENTION
EDITORIAL—BY GEORGE MEANY

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**PRESIDENT MEANY BREAKS GROUND
FOR THE NEW A. F. OF L. BUILDING**

In the presence of a large assemblage in Washington of labor leaders and others, A. F. of L. President George Meany broke the ground August 27 for the Federation's new \$3,500,000 headquarters building in nation's capital. Watching the historic-making action is A. F. of L. Vice-President Harry C. Bates. Details on Page 7.



Are you doing your part to help build your union?

Millions of Americans belong to unions today. At the same time, millions of other working people are not yet members of the great family of organized labor. These unorganized men and women need union wages, job security and all the other important benefits of effective trade unionism. You know some of these unorganized working people. Talk to them. Tell them why

they ought to belong to a union. Answer their questions. Let them read your labor periodicals. And when they decide that they want to become identified with organized labor, take them down to the union hall. Do your part, day by day, to build your union. Labor's job of organizing the unorganized is a most important job. Will you help to build your union, today and every day?

The American FEDERATIONIST

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GEORGE MEANY, Editor

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Free Labor

Measure nation with nation and it is a universal law that where a worker's reward for his labor is best, where his wages are highest and his opportunities for leisure largest, there is the nation that stands at the head and front of civilization.

In our day of modern industry, of the great concentration of wealth, of invention of machinery, of utilization of the forces of nature in the propulsion of the wheels of machinery, the improvement of the tools of labor has brought in its wake division and subdivision and specialization of labor, so that each worker performs a small part in the making of a given product. When the directorship of industry is concentrated in constantly fewer hands, it is quite evident that workmen, acting as individuals, are at the mercy of their employers and are much of the time impotent to secure redress of a wrong or the attainment of a right.

To say that workmen surrender their freedom by joining a union of labor is a fallacy easy of demonstration. In truth, industrial conditions which I have mentioned deprive a workman of his individuality the moment he enters a modern industrial plant. It is regained for him and for all labor when there is organization, union and federation.

Tell the men of labor who before they were organized worked ten, twelve or more hours each day, but since they have united with their fellow workmen have reduced their hours of daily toil to nine or eight—tell them they have lost their individuality. Tell the wives of union men, who have the companionship of their husbands in the home and enjoy the home influence, who have profited by the larger wage in the brightening of the home and the giving of opportunity for the children to be sent to school and the playgrounds instead of being forced into the factory and the workshop—tell these women, the wives of union men, that their husbands have lost their individuality and freedom by joining a union of labor which has brought them these results and they, with their husbands, will laugh you to scorn.

Samuel Gompers.

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The Coming Convention

By GEORGE MEANY

EVERY AMERICAN WORKER should give heed to the events transpiring at the seventy-third convention of the American Federation of Labor, which opens September 20 at Los Angeles. At this convention the ten million members of the American Federation of Labor, through their elected delegates, will review developments in national and international affairs during the past year and forge new policies for the year ahead. Our annual conventions serve, in a true sense, as Labor's Parliament, where representatives of workers from every part of the country meet together, debate the issues and reach decisions by the democratic process of majority vote.

In a voluntary organization like ours, open to all points of view yet without any power of compulsion, it is gratifying to find that so many major decisions are arrived at unanimously. This attests to the basic desire of our organization to find a basis of accommodation on controversial questions and it assures compliance through the voluntary cooperation of the 110 national and international unions affiliated with the American Federation of Labor.

This year, even more than usual, a heavy agenda of important problems confronts the convention delegates.

Unemployment, persisting at an unnecessarily high level, constitutes labor's most pressing domestic problem. In my estimation, the convention will point the way toward more prosperous economic conditions with a program designed to cut down unemployment through expansion of purchasing power.

Labor will fight for such a program. The degree to which it finds acceptance by the Administration and the new Congress which takes office next January depends upon the outcome of the November 2 Congressional elections. At the convention Labor's League for Political Education will perfect its plans for getting out the vote and electing a more liberal Congress.

Success in our political drive this year is vital to the welfare of all American workers and the nation itself. The pro-business and anti-labor trend in Washington must be halted. The shrinkage in our national economy can be traced directly to the slippage in our government's concern for the well-being of the great masses of the American people and its preoccupation with granting favored treatment to big business.

The convention will draft a legislative program for presentation to the Eighty-fourth Congress. This pro-

gram undoubtedly will call for action to improve the nation's schools; to build decent, low-cost homes; to make drastic revisions in the Taft-Hartley Act so as to restore fair treatment to labor; to raise the minimum wage to a subsistence level; to inaugurate a national health insurance system, and to build up our national defenses to a point which will discourage further Soviet aggression.

International developments in recent months have become so discouraging that it is safe to predict the convention will devote an unusually large share of its deliberations to this issue. The loss of American prestige abroad, the disintegration of our defenses in Asia, the weakening of our ties to our European allies—all point to virtual collapse of the effectiveness of American foreign policy. In my opinion, the American Federation of Labor's convention will face this challenge courageously and chart a practical course for the preservation of the peace and security of the free world.

The need for strengthening labor's own house will not be overlooked. The convention will act on a plan submitted by the Executive Council to end jurisdictional strife among affiliated unions. This may well become one of the most constructive steps in labor's history.

All in all, we are certain to have a busy convention and, from present indications, a fruitful one.



Convention delegates are faced with a heavy agenda of important problems

Executive Council Meets in New York

THE Executive Council of the American Federation of Labor, in session last month in New York City, called upon the American people to cast a vote of censure against the Eighty-third Congress on November 2. The national legislative body merits censure because it has failed the workers, failed the farmers and failed the consumers, the Executive Council declared.

The leaders of the American Federation of Labor, meeting at the Hotel Commodore, recalled that Congressional toil last year produced almost nothing at all in the way of "positive accomplishment." The 1953 session "was marked by the vote to give away the nation's undersea oil reserves to a few coastal states for private exploitation," the Executive Council recalled.

This year's record of Congress was termed "even more acutely disappointing."

"Great issues have been left unresolved. For seven months Congress has dawdled and then disposed of major national and international problems either by doing nothing or by taking inadequate action. Few measures contributing to the national well-being have been adopted."

The Council particularized its attitude on nine issues—foreign affairs, national defense, the national economy, labor-management legislation, the minimum wage, social security, housing, taxation and health.

"What is the answer to this barren performance by Congress?" the Council asked. "The answer is up to the American people."

"On November 2 they will have the precious opportunity of casting a vote of censure against those members of Congress who have deserted the public interest and casting a vote of approbation for those other members of Congress who have fought valiantly but in vain to protect the public interest."



President George Meany is flanked by Earl Jimerson (left), president of Meat Cutters, and A. F. of L. Secretary-Treasurer William F. Schnitzler. This picture was taken at Hotel Commodore, scene of Council's sessions

The American Federation of Labor will do everything in its power, through Labor's League for Political Education, "to make the record of Congressional candidates clear to the workers of this country and to encourage a full vote," the Council said.

The A. F. of L. leaders emphasized that "the impact of the recession still weighs heavily on our country" and sharply criticized the government's satisfaction with "stabilization of the economy" at present low levels.

The country is in the "economic doldrums," the Council said. Ending of the "chronic unemployment situation" and restoration of "lasting prosperity" depend upon higher wage income and increased purchasing power, the Council stressed.

President Eisenhower cannot escape responsibility for the series of flagrantly anti-labor decisions of the National Labor Relations Board as it is now constituted, the Council said. Recent decisions of the Board "are more than a mere accidental set of coincidences," the Council declared. "They are obviously part and parcel of a pro-business motivation on the part of the controlling majority of the National Labor Relations Board."

"Eventually the Eisenhower Administration must be held responsible for the new anti-labor policy put into effect by its appointees to the National Labor Relations Board."



Four A. F. of L. vice-presidents are in this group. Seated, from left to right, A. J. Hayes, W. L. McPetridge and Dave Beck. Herman Winter is behind Mr. Hayes

LOS ANGELES LABOR Is ON ITS WAY

By **THOMAS RANFORD** and **W. J. BASSETT**
President and Secretary, Respectively, Los Angeles Central Labor Council

THE Los Angeles Central Labor Council this month will have the honor of acting as host to the seventy-third annual convention of the American Federation of Labor.

When an A. F. of L. convention was last held in Los Angeles in 1927, the American Federation of Labor had less than 30,000 members in the area, and Los Angeles was known as "the great white city." At that time some trade union leaders were doubtful that Los Angeles ever could be turned into a union town. Wage scales were low—lower than in most other parts of the country. There was little or no regulation of working hours or conditions. Workers were forced to take whatever was offered them.

The campaign to keep trade unions out of Los Angeles was spearheaded then, as at present, by the Chandler interests and the anti-labor *Times*.

Delegates who attended the 1927 convention, as well as those who are coming West for the first time, will see a different picture when they visit Los Angeles this month. The attitude of the Chandler interests has not changed, but the general picture has. The Chandler group, the Merchants and Manufacturers Association and even the Taft-Hartley Act have failed to halt the growth of unionism in Los Angeles.

Today there are 625,000 members of the American Federation of Labor in the Los Angeles area, according to the State Department of Labor. The total in California is in excess of 1,000,000. There still is room for growth, but today's 625,000 A. F. of L. members are a far cry from the fewer than 30,000 members when the previous Los Angeles convention of the A. F. of L. was held in 1927.

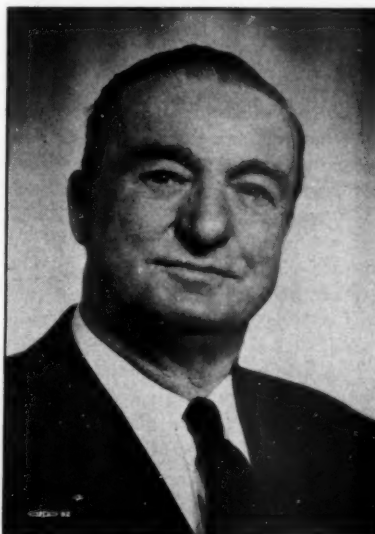
The Los Angeles Central Labor Council today has 231 affiliates. It is generally recognized as one of the largest city central bodies in the American Federation of Labor. Delegates take pride in knowing that it is one of the fastest growing and one of the most active central bodies. Council delegates take an active part in every phase of public life, particularly where the worker has an interest at stake.

The Los Angeles County United A. F. of L. Voters League, a branch of Labor's League for Political Education, is a potent political group in Los Angeles County. Every segment of labor is represented. Through the League's representatives a constant check is kept on activities of the Legislature, the County Board of Supervisors and the City Council. The League is active in public school affairs and plays a prominent part in

the election of Congressmen and Senators. Representatives appear before public bodies to oppose or urge approval of pending proposals or legislation. Candidates for office are interviewed by special committees and their records are investigated before any endorsement recommendations are made.

Despite the handicaps imposed by the Taft-Hartley Act and other anti-labor measures, the Los Angeles County United A. F. of L. Voters League has an impressive record in elections and in checking legislation that would be harmful to working men and women if it were enacted.

Two years ago Los Angeles labor secured a charter for a Union Label Council. Through the cooperation of every department council, district council and industry council within the jurisdiction of the Central Labor Council, the new Los Angeles Union



MR. RANFORD



MR. BASSETT

Label Council has quickly expanded from sixty-three unions in 1953 to 106 affiliated councils and unions this year. The most outstanding activity of the Los Angeles Union Label Council this year was its participation in the Union Label Industries Show, staged by the Union Label and Service Trades Department. This year the great A. F. of L. exposition was held on the West Coast for the first time in history.

As a result of the work of the Union Label Council, particularly its participation in the Union Label Industries Show, thousands of union members in Los Angeles and vicinity are now more conscious of the necessity of purchasing union-made products in order to support decent employers who have signed agreements with American Federation of Labor unions.

The Label Council persuaded the *Daily News* to publish a series of articles on the history and meaning of the union label. The Label Council also inaugurated a series of family nights for union members, during which samples of union-made products were distributed, including many valuable awards. These family nights have brought out hundreds of union wives and women members who do the actual purchasing for workers' families. These women have become thoroughly familiar with the value of union-made products and what their purchase means to the employees who manufacture them as well as to the employers in whose plants these union men and women work.

During this month's American Federation of Labor convention, the Los Angeles Union Label Council will be hosts to the Union Label and Service Trades Department. The local group will take the occasion to explain to the visiting delegates what its big problems are and ask their support.

THE Los Angeles Central Labor Council for years has taken an active part in the field of community welfare. Through its Church, Civic and Charities Committee, the central body is an active participant in welfare and charity causes.

Representatives of Los Angeles labor sit on the boards of directors of most community welfare organizations. They take part in establishing budgets and arranging methods of conducting the annual campaigns.

Groups supported by the Central Labor Council include the Community Chest, International Guiding Eyes, Inc.; Associated In-Group Donors, the Sister Kenny Foundation, the Red Cross, the March of Dimes, the cancer drive, Crippled Children's Society, Mount Sinai Hospital and the City of Hope. The Central Labor Council works in close cooperation with the Welfare Federation of Los Angeles and the Welfare Planning Council.

Local American Federation of Labor representatives serve on the Los Angeles County Conference on Community Relations, the Metropolitan Recreation and Youth Services Council, various Community Chest agencies, committees on problems of the aging, the Los Angeles Citizen Commission for Public Schools and the Church Federation of Los Angeles. Labor speakers appear before all of these organizations from time to time.

The Los Angeles County Conference on Community Relations is an important organization. The Central Labor Council is affiliated with it. Currently the conference is working on segregation in the Fire Department, human relations problems arising in some schools and residential areas, and on juvenile delinquency. Our work with the conference is handled by our Committee on Human Rights.

The Los Angeles Central Labor Council recently joined with other groups to form two new community organizations. One is the Los Angeles Conference on Immigration and Citizenship, a coordinating body engaged in a community effort to study and make recommendations on the immigration and citizenship laws of our country in accordance with more democratic principles, gather data and inform the public regarding our immigration laws, and to aid in dealing with day-to-day problem cases. The second new organization we have joined is the Non-Governmental Organizations Council, which at the national level has representatives at the United Nations. Our participation in this Council is a reminder to member organizations of their opportunity to express their members' interests and concerns at the United Nations.

The A. F. of L. Buyers' League was established by the Los Angeles Central Labor Council nearly seven years ago. It serves not only as a valuable

means of providing savings to the families of working men and women but also provides a worthwhile index to the general economic picture. Savings to an individual A. F. of L. family sometimes run into hundreds of dollars a year. Savings are large during the Christmas shopping period and when a family furnishes a new home. Close checks are kept on costs, from the manufacturer to the retailer, and members are kept advised on when and how to buy.

The Veterans' Committee of the Los Angeles Central Labor Council is one of our most important units. This committee has secured jobs for thousands of returning veterans during the past decade. In addition, it has helped veterans on such perplexing matters as insurance, housing, apprenticeship, hospitalization and dozens of others.

This service is recognized as a tremendously important activity. The committee works in close cooperation with the American Legion and other veterans' organizations which at one time were not on too friendly terms with organized labor. The ten-year record of the Veterans' Service Center, with which our Veterans' Committee works, shows nearly 50,000 registrations for service and 116,058 incoming telephone calls. There were 257,177 services of various descriptions rendered from May 1, 1944, to April 30, 1954. These are in addition to indirect assistance provided. During the past year registration increased 600 over the previous twelve months.

The Central Labor Council considers this work so important that a full-time representative is assigned to work with the committee.

The Central Labor Council has dozens of other committees that play an important part in the daily life of A. F. of L. members in the Los Angeles area. These include a Safety Committee which has received national commendation for its work, a weekly newspaper which is published in cooperation with three departmental councils and a special committee which is working with the printing trades in their union label drive.

The Central Labor Council assists affiliates with negotiations when requested to do so. It furnishes available statistics on wages, hours and consumer prices.

Despite the handicap of being forced to carry on a running fight with what is probably one of the best planned and best financed union-busting campaigns in history, the American Federation of Labor movement in the Los Angeles area has more than kept pace with the rapid industrial growth in the city and in Southern California as a whole. In the past two years union membership has increased more than 25 per cent.

Southern California today has one of the highest concentrations of American Federation of Labor members in the entire nation. This is attributed in large part to the close teamwork of

the various department and joint councils with the central labor union.

It is through this close teamwork that the American Federation of Labor in Los Angeles has been able to play important parts in public housing and slum clearance, in keeping the city free of gangster elements, in securing better health and police protection, development of freeways, better schools for our children and better pay for school teachers and dozens of other civic matters.

But, perhaps best of all, Los Angeles no longer is known as "the great white city"—a reputation it gained under the domination of the

Chandler Times group and other powerful anti-labor organizations. Today Los Angeles is fast becoming a great union town where decent wages are paid and where organized wage-earners can be proud of their wages, their hours and their working conditions.

As officers of the Los Angeles Central Labor Council, we join with the other 625,000 American Federation of Labor members in this area in extending a real welcome to the A. F. of L.'s seventy-third annual convention. The working people of Los Angeles feel highly honored to have the A. F. of L. in session here.

Ground Is Broken For New Building

THE OFFICIAL ground-breaking for the new American Federation of Labor headquarters building in the nation's capital has taken place. On August 27—in the presence of Secretary-Treasurer William F. Schnitzler, Vice-President Harry C. Bates and many other prominent trade union figures as well as a large group of other dignitaries and interested persons—A. F. of L. President George Meany formally broke the ground at the site of the new eight-story monumental building. Press photographers and newsreel cameramen recorded the event which will take its place in A. F. of L. history.

The new \$3,500,000 headquarters will be located in the 800 block of Washington's famous Sixteenth Street. The building will overlook the White House, old St. John's Church and other historic landmarks. Estimated construction time is one year.

Photo at right shows George Meany and William Schnitzler with the blueprints and the contract for new headquarters. Photo below depicts the official ground-breaking August 27





LABOR DAY MESSAGE

BY

George Meany

ON THIS Labor Day the workers of America are united in their devotion to peace, human liberty and the betterment of mankind. These are the great ideals which inspire the free trade union movement and to which we rededicate ourselves on this special holiday that recognizes the achievements and the aspirations of those who toil. Today that means we intend to go on fighting with all that we have against fascism, against communism and against any other form of dictatorship that oppresses men and women anywhere in the world.

For labor knows its enemies. It recognizes the warmakers and all dictators as the enemies of humanity. It also realizes that there is no safety in isolation from the evils that are being perpetrated in the world around us.

We in labor accept the fact that we are and must be our brother's keeper. The truth of that responsibility is basic in our philosophy. Our movement was built, not by one man, not by a small group of leaders, but by masses of workers joining together to help each other—the strong helping the weak—the free helping the oppressed—the whole movement working for the benefit of every individual and for the benefit of all other citizens who make up the nation.

Our credo can be summed up briefly. Peace and freedom represent to us the air we breathe and the only soil in which we can take root and grow. We have joined forces with our fellow workers throughout the world to establish the free trade union movement because it provides us with the most effective instrument available for the attainment of economic, social and political justice.

Traditionally on Labor Day we take stock of past events, of present problems and of future prospects. While we here in America have much to be grateful for, there are many things wrong in this world of ours and many conditions that require improvement in our own land.

In the international sphere the single fact that has the greatest impact on our lives and our future security is the continuing threat of another world war. Today our peace and freedom are menaced from one main source—Moscow. Embarked on a rule-or-ruin course, the leaders of the Kremlin will never be satisfied short of complete domination.

It is up to America, as the leader of the free world, to overcome this threat. We must forge a clear and dynamic foreign policy that will unite our allies, strengthen the military and moral defenses of freedom and effectively prevent war.

This cannot be done with slogans. In any dealings with the Soviet we must lead from strength—actual strength, not merely strong words. It does no good to talk about “massive retaliation” and then meet an international crisis with massive appeasement. The whole history of the world's tragic experience with dictators proves that appeasement merely increases their appetite for more power and wider conquest.

It would also be a great mistake to relax our vigilance just because of the signing of the so-called truce in Asia. Unfortunately, the cold war still goes on, with grim and terrible persistence. The Kremlin may see fit to avoid armed conflict for a while, but it will certainly not surrender its expanding campaign of aggression through subversion.

Labor has shown the way to halt

Communist subversion. Our free trade union movement has become the first line of defense against the spread of communism by means other than military force.

Through the International Confederation of Free Trade Unions we have joined with other free trade union centers throughout the world in exposing the hideous, slave-labor philosophy of communism, its dictatorial oppression of workers and its denial of basic freedoms. We are cooperating in a worldwide movement to raise living standards by the strengthening of free labor unions in economically backward countries that might otherwise fall prey to despair and communism.

For we have learned from experience that the starving and hopeless are often willing to embrace communism as a last resort. We know that free trade unions, by raising living standards, can build psychological defenses against Communist slavery which are no less effective than guns and tanks.

The high standards we have won in our own country serve as an all-powerful bulwark against subversion. Those standards must be safeguarded, not only for the welfare of our people, but for the security of our nation. We must, of necessity, remain strong and economically healthy if we hope to resist and overcome the worldwide pressure of the Communists. An economic collapse in America would be hailed in Moscow with as great delight as a military victory.

It is, therefore, of the greatest importance that we look to our economic defenses and reinforce our vanishing prosperity.

The ending of hostilities in Korea, false-economy pressure for reduced national defense expenditures and uncertainty as to the policies of the new Administration in Washington all combined to produce a business setback. Production dropped, credit tightened and unemployment rapidly assumed serious proportions.

Instead of acting promptly to avert the recession, the Administration pursued a policy of watchful waiting, relying on conditions to improve by themselves. It developed no program to create more jobs or to increase purchasing power. Only time will tell what a dangerous gamble this is. (Continued on Page 31)

WE DON'T prize the things we have while we are enjoying them. We realize the value of health most when we have lost it. We know the worth of freedoms most when they are gone. That's a point that occurs to me on this Labor Day because I got behind the Iron Curtain this summer. Working men and women, behind the Curtain, have no trade union rights. They cannot organize freely. They cannot back up their demands for living wages and safe working conditions with the traditional weapon of the strike.

Working men and women behind the Iron Curtain have become slaves. That has been said before—but it was never brought home to me so effectively as this summer.

As our automobile went down the Stalinallee, in East Berlin, we were impressed by the fine buildings that lined this wide thoroughfare. This is all that most visitors see. It is the Berlin Potemkin Village—a fake front set up for the unsuspecting.

But we went behind those facades and saw the shambles and ruins. We saw an amazing contrast between the splendid reconstruction on the free side of the Brandenburger Gate and the rubble piles on the slave side. I tried to talk with men who, afraid that their masters might be watching, ran from me. I watched dire-faced youths dutifully toting banners proclaiming the "Freiheit" [freedom] they knew they did not have. They knew that the facts of life in East Germany cruelly mocked their slogans. They knew, and the German workers knew, that the Reds were trying to stuff their skulls with slogans, while denying food to their stomachs and the spirit of freedom in their hearts.

The older East Germans once knew free trade unionism, a long time ago, before Hitler, and most of them have never forgotten it. Many of them, for the first time, now that they have lost it, are appreciating it.

Back on the free side, I talked with some of these men who could take it no longer and had burst across the borders. One told me that he had merely asked for a financial report on union funds. He had dared to say he assumed that his so-called union was democratic, as the Communists said it was. Another had revolted at the pressures of being speed-up man in his factory. Others had dared to

LABOR DAY MESSAGE BY

William Schnitzler



listen to the American radio, RIAS, even though this is a grave crime under Communist law. All were no longer able to bear the bonds of communism. They had enough of the spirit of freedom left within them that they had to break their shackles.

Other trade union veterans, still behind the Iron Curtain, have been in revolt continually since that historic day, June 17, 1953, when the Russians had to bring out mounted police, machine guns and tanks to end a spontaneous walkout that spread all through East Germany.

That demonstration began when workmen along the Stalinallee in East Berlin got copies of the Communist newspaper telling how each workman, although already overtaxed, must increase his production 10 to 25 per cent. The copies passed from hand to hand. The men read, laid down their tools and walked off the job. They became a procession. They grew and grew, all through East Germany, went on into the next day despite a driving rain.

Men, armed only with their fists and stones, defied the militarized units and the tanks.

Reports from behind the Iron Curtain tell us that these demonstrations are still continuing over a year later. Railroad trains are delayed. There are breakdowns, in the engines, the signaling equipment. Tracks are broken. Coal mine equipment is damaged so that production has to be stopped. Dockyard damage interferes with East German shipping. The Communist authorities have been baffled by countless acts of sabotage in nationalized industries.

A new kind of revolt is under way in East Germany. It's natural, spontaneous, irresistible. It's the surge that cannot be withheld within a man who has once known freedom. It's

a realization of the value of freedoms that have been lost.

These Germans want you, here in America, to prize what you have in free trade unionism and use it. They would caution you to be on guard to see that it is not taken away from you by the vicious, misnamed "right to work" laws which have already taken union security from workers in a number of our states. They would admonish you to be a more faithful member of your union. They would warn you to see that friends represent you in your state legislatures and in your Congress. They would ask you to work with renewed zeal for those objectives which are for the good of all the people, not just labor—sufficient safe schools so that all children may have the opportunity for a full day of education, social security that assures you a realistic pension in your later years, a housing program that assures every man a proper home at a price he can afford, adequate defense, fair taxation.

Behind the Iron Curtain, they know what all these things mean—*because they no longer have them.*

Here we have rights and advantages. We also have—to maintain them—responsibilities.

On this Labor Day we may well dedicate ourselves again to maintaining and expanding the precious opportunities of free trade unionists, members of the American Federation of Labor.

*for a happier
Labor Day
next year*

**GIVE YOUR DOLLAR
TO L.L.P.E. TODAY**

RAILROAD WORKERS MAKE PROGRESS

By MICHAEL FOX

President, A. F. of L. Railway Employees' Department

AFTER long and difficult negotiations, fifteen organizations representing the non-operating employees in the railroad industry have reached an agreement with the railway managements featuring the establishment of an industry-wide health and welfare plan in the railroad industry.

The agreement signed on August 21 also provides for improved vacations with pay and paid holidays, as well as a number of changes in working rules, and brings to a successful conclusion a dispute which began more than a year ago.

Notices were served on the carriers on May 22, 1953, for improved vacations, paid holidays, premium pay for Sunday work, a health and welfare plan and improved free transportation privileges. After negotiations failed to bring about a settlement, the dispute was referred to an emergency board which recommended, in a report filed with the President of the United States on May 15, 1954, that the parties negotiate a health and welfare plan and that the cost of such a program be shared equally by the carriers and the employees.

The board also recommended a third week of vacation and seven paid holidays, as well as a number of changes in working rules sought by the carriers. Following issuance of the board's report, the parties commenced negotiations on June 3 and the dispute was settled by the agreement signed on August 21.

Throughout the period of this dispute, the organizations were beset with numerous difficulties which gave rise to considerable delay in bringing this movement to a successful conclusion. The greatest obstacle to an early settlement was the adamant attitude of some of the carriers. They not only declined to appoint carriers' conference committees prompt-



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ly to deal with this matter, but used every conceivable means to delay the negotiations.

This is a matter of deep concern because it is contrary to the spirit and intent of the Railway Labor Act, which requires that such disputes be handled expeditiously.

In addition to delaying the proceedings, the carriers resorted to litigation in order to forestall negotiations on the employees' proposals for a health and welfare plan and the improvement of free transportation privileges. They sought unsuccessfully to secure a declaratory judgment to this effect in the District Court in Chicago, and while the Court of Appeals for the Seventh District ruled the matter was justiciable, it did not prevent the parties from reaching an agreement on the principles of a health and welfare program.

Another obstacle was the adverse recommendation of the emergency board with respect to changes in rules sought by the carriers. For the first time the non-operating organizations were confronted with a serious

attack on their existing rules which threatened to destroy the progress which has been made during the past half century.

Finally there was the inherent difficulty of trying to work out the problems incident to the establishment of a satisfactory health and welfare program in view of the fact that hospital associations were already in existence on many properties.

Notwithstanding these difficulties, however, a satisfactory agreement was negotiated without the loss of a single day's work by the employees because of work stoppages. This was made possible only by the patience, good judgment and industrial statesmanship displayed by the representatives of the organizations which participated in these negotiations.

It should be added that some further difficulties might arise in view of the fact that, in the closing hours of the negotiations, the employees' committee was notified that certain of the Southeastern carriers had limited their authority to the Carriers' Conference Committee to exclude their participation in the agreement reached on a health and welfare plan.

The agreement which covers almost a million employees in the railroad industry conforms generally to the recommendations made by the emergency board.

Amending the present vacation agreement, which provides for one and two weeks' vacation after one and five years of service, a third week's vacation with pay after fifteen years of service was provided by the agreement for all employees effective this year. Where employees are required by the carrier to work during their vacation period, they will be paid at the rate of time and one-half in addition to their vacation pay effective January 1, 1955.

A number of other important

changes were also made, particularly with respect to qualifying for a vacation.

Service under the schedule agreements between a carrier and any one or more of the organizations covered by this agreement will now be counted for vacation qualifying purposes. Previously, only service under the agreement of one organization representing the employees in its craft or class could be counted, with the exception of the shop crafts for whom service under the federated agreement was counted.

A specified number of days in each current qualifying year on which an employee renders no service due to sickness or injury on the job may likewise be counted for qualifying purposes. Employees with less than five years of service can count ten such days, those with five and less than fifteen years of service twenty such days and those with over fifteen years of service thirty such days.

Time spent in the armed forces will also be considered as qualifying time in determining the length of vacations for employees returning to the employing carrier. The employee returning from service must have qualified for a vacation in at least one calendar year or have performed at least seven months of service with the employing carrier prior to entering military service.

Another important change concerns employees who die before they can take vacations for which they have qualified. The agreement provides that, effective this year, where an employee performs the necessary qualifying service in the year prior to his death, or in the year of his death, or both, and dies before receiving the vacation or vacations due him or payment in lieu thereof, payment for such vacations will be made to his surviving widow or, in the absence of a surviving widow, on behalf of a dependent minor child or children, if any.

Since employees will be paid for holidays not worked under another provision of the agreement, where one of the seven recognized holidays falls on what would be a workday of an employee's assigned work period, the agreement provides that such holiday, or the day observed as the holiday, will be considered as a workday for which the employee is entitled to vacation with pay.

On the subject of holidays, the agreement provides that with respect to hourly or daily rated employees, whenever one of seven designated holidays falls on a workday of the employee's workweek, he will be paid a day's pay, provided compensation paid is credited to the workday of his workweek preceding and following the holiday exclusive of compensation paid under sick leave rules. The holidays include New Year's Day, Washington's Birthday, Decoration Day, the Fourth of July, Labor Day, Thanksgiving Day and Christmas, but existing agreements or practices under which any other day is substituted or observed in place of any of the holidays listed are not disturbed by the agreement.

Where an employee works on a holiday, the provisions of existing agreements with respect to pay for such work will apply, in addition to the holiday pay.

WITH respect to monthly-rated employees, pay for a specified number of hours was added to the monthly rate to compensate for holidays not worked. Where the monthly rate was predicated on 169 1/3 hours per month, it was adjusted to include the equivalent of 56 hours' pay per year. All other monthly rates were adjusted by adding the equivalent of 28 hours' pay per year. Weekly rates comprehending a similar number of hours in each instance were adjusted in a corresponding manner.

As recommended by the emergency board, the holiday provisions of the agreement were made retroactive to May 1, 1954.

Because of the many problems involved in setting up a health and welfare plan, the parties agreed on a number of principles to govern in the establishment of such a program. These were set forth in a memorandum and made a part of the agreement.

It is provided that the committees representing the employees and the carriers will consult with the reputable insurance companies writing this kind of coverage for the purpose of agreeing upon all of the details essential to the making of a complete agreement and master contract, with the understanding that the insurance companies jointly designated by the parties would bind themselves to provide uniform benefits at uniform

cost on all of the carriers party to the agreement.

The carrier and each employee will contribute \$6.80 per month on a 50-50 basis to pay for the health and welfare benefits.

Thus will be achieved the basic principle underlying the agreement of providing for uniform benefits and uniform contributions.

The agreement provides that at the end of each actuarial year the committees representing the carriers and the organizations will meet for the purpose of making financial adjustments of dividend accruals, so as to assure the continuation of uniform benefits and uniform contributions.

On properties where health and welfare programs are in effect through the establishment of hospital associations, a separate arrangement was made to continue these hospital associations.

The agreement also provides that consideration will be given to working out an arrangement to take care of dependents of employees upon their election and at their expense.

At the time this article was written, the parties had agreed to resume conferences on August 30 to work out details.

The carriers served notice on all of the organizations for some thirty-one rules changes. They reduced this number by about half prior to the emergency board hearings, and the board recommended changes in five rules on which agreement was reached.

These included rules providing for (1) a time limit on the handling of claims growing out of the alleged violation of agreements, (2) the use of furloughed employees to relieve regular employees who may be absent because of sickness, injury, etc., (3) the revision of the notice required by reduction in force rules to provide for sixteen hours' notice of a reduction in force in an emergency when the carriers' operations are suspended in whole or in part because of a flood, snowstorm, hurricane, earthquake, fire or strike, (4) a rule to permit mechanics to do the work of another craft at outlying points where because of limited work requirements mechanics of all crafts are not employed, and (5) a rule involving the work performed by clerks and telegraphers which provides that (Continued on Page 32)

***Is the new NLRB majority determined to turn back the clock and
let anti-union employers have everything their own way?***

This article discusses some of the recent shocking actions of

THIS NEW LABOR BOARD

By J. ALBERT WOLL, J. A. GLENN and HERBERT S. THATCHER

EVER since the passage of the Taft-Hartley Act, there have been cries from certain anti-labor employer interests that Taft-Hartley, which organized labor knows as the worst piece of national legislation ever enacted in the field of labor relations, was not strong enough, did not have sufficient teeth in it, did not put labor sufficiently in its place, and the like.

These cries were coupled with demands for legislative action to accomplish such results.

With the advent of a Republican Congress, these cries became more strident and the demands more vociferous. Efforts to "strengthen" Taft-Hartley culminated in the draft of a proposed bill in the House, appearing last spring in the form of a committee print, which incorporated most if not all of the legislative proposals made by various anti-labor interests to make Taft-Hartley even more vicious. The proposed bill was never formally introduced because of the prior inability of the Senate to agree on amendments, but the committee print gave a good indication of how far the House Labor Committee was prepared to go.

What might have happened had the matter been put to a vote is, of course, impossible to conjecture. However, the fact is that labor has thus far been successful in preventing passage of any so-called "strengthening" amendments to Taft-Hartley. Nevertheless, labor now finds that its efforts may have been in vain, for a good start in the direction in which anti-labor interests have been aiming has been achieved since the appointment by the present Administration of members of the National Labor Relations Board, beginning with the appointment of the new chairman thirteen months ago.

Recent decisions of the National Labor Relations Board, as reconstituted with a new majority of Administration appointees, have gone a considerable way toward making employer demands for even stricter anti-labor legislation unnecessary. In decision after decision, the new majority has acceded to the very proposals which the labor-baiters were attempting to achieve by legislative action.

In such important fields as employer free speech, employer's right to lock out, the right of a state to exercise its own jurisdiction in increasingly larger fields of labor relations, and additional restrictions on the right to strike, the new Labor Board has reversed long-standing determinations. Enemies of labor are achieving by administrative decision what they have failed to achieve by legislative enactment.

If the new National Labor Relations Board does not soon call a halt to its present trend toward decisions favoring employer interests, we may find that the Taft-Hartley Act as administered by the old Board was a comparative bed of roses.

What are some of the outstanding anti-labor decisions of the new Board which support the assertion that a majority of the Board, as now constituted, has shown a marked tendency to favor the employer side on critical issues?

To begin with, the Board has declined, as a matter of administrative discretion, to exercise its admitted jurisdiction in large fields of industrial enterprise. While these fields encompass primarily the smaller employer whose operations have a lesser effect on interstate commerce in terms of goods shipped or received, nevertheless the employees involved, when totaled, number into the millions.

These millions of wage-earners who perhaps are in greater need of whatever protections the Taft-Hartley Act has to offer than employees employed by the larger industrial concerns, the bulk of whom are already organized, are not only deprived of all protection against employer unfair labor practices but, what is worse, are thrust to the mercy of the ever-increasing number of anti-labor laws in the various states.

Previously, the worst of these state laws were not applicable because they embraced the same field of labor relations as was covered by Taft-Hartley.

Thus, employers' pleas for greater "states' rights" in labor laws have met with considerable success without the need for federal legislative action.

IN THE field of employer free speech, the new Board has reversed two important and long-standing precedents. The first, effective since the earliest days of the Wagner Act, was that employers had no right to question their employees concerning their union affiliation. In the Blue Flash Express decision, the new National Labor Relations Board has permitted such interrogation, Board Members Murdock and Peterson dissenting.

The recently appointed majority attempted to qualify this new employer right by saying that it could not be used for purposes of coercion. But anyone at all familiar with the realities of industrial life—particularly in some Southern communities or in company-owned towns—realizes, as did all previous Boards, that the mere act of questioning, entirely apart from the fact that the employee's choice of bargaining representative is none of the employer's business, has an inevitable coercive effect.

In the Livingston Shirt Corporation case and in the Peerless Plywood Company case, the new Labor Board reversed (Member Murdock dissenting in part) the previous Board doctrine in the Bonwit Teller case which had held that employers who used company time to make anti-union speeches to their employees prior to representation elections were compelled to give the employees an equal opportunity to reply.

Now it is no longer necessary for the employer to give such opportunity for reply, even though he makes a most violent anti-union harangue before a captive audience, unless the company happens to have a broad no-solicitation rule or unless the nature of the business is such, as in the case of a department store, as to preclude solicitation except at specially designated times when there would be no interference with customers.

In the very recent Lion Oil Company case, the new Board, with Murdock dissenting, reversed a previous decision which held that, where a contract did not contain a no-strike clause, unions were free to strike after the expiration of the sixty-day strike notice prescribed in Section 8(d)(4) of the Taft-Hartley Act even though the contract had not terminated. The new rule is that no strike can be engaged in during the contract term or prior to a reopening date, and the end of the sixty-day notice period must correspond with or be later than the expiration or modification date specified in the contract. The penalty for an earlier strike following an earlier notice is freedom to discharge all union members engaging in the strike, even though they did not thereby breach the contract and even though their union had given the statutory sixty-day notice.

In effect, then, the new Board has written a compulsory no-strike clause into every collective bargaining agreement, has lengthened the "cooling off" period and thus has accomplished restrictions on striking which only the most rabid anti-labor partisans had ever hoped to achieve by legislative action.

The case of Buffalo Linen Supply Company (Murdock dissenting) is responsible for a reversal of the Morand Brothers and Davis Furniture Company cases. In the latter cases the National Labor Relations Board had held that members of an em-

ployer association could not retaliate against a strike called against only one of their members after negotiations had broken down by locking out the employees of the remaining members of the association against whom no strike had been called.

In its new decision the Board qualified its pronouncement by saying such a lockout is justified only if taken as a "defensive" measure and if it is not intended to have a coercive or retributive effect. Again the Board failed to perceive the realities of such a situation and the difficulty of distinguishing between a lockout as a "defensive device" or as a "retributive measure."

OTHER cases indicating an anti-union bias on the part of the new Labor Board majority include:

The Symms Grocery Company decision, in which employers guilty of unfair labor practices against union members were invited, in effect, to avoid responsibility for such violations of the act by arranging a transfer of the business to a third party. This third-party purchaser then would not be liable, even though at the time of the sale he was fully aware of back pay liability or other penalties for violation. Formerly, the National Labor Relations Board had held that even bonafide purchasers were responsible for remedying the predecessor's unfair labor practices if the purchaser knew of such liability or possible liability at the time of the sale.

In the case of Washington Coca Cola Bottling Works, the Board narrowly circumscribed and limited the effect of its ruling in an earlier case (Schultz Refrigerator Company) in which picketing was permitted of trucks of a struck employer when those trucks were at the premises of employers to whom deliveries were being made.

Under the facts in the Washington Coca Cola case, the Board held that the picketing was a violation of the secondary boycott prohibitions of the Taft-Hartley Act, distinguishing it from prior cases. In addition, it held that the union was in violation because it failed to instruct a driver of a sister local to make deliveries in spite of the picket lines. Such a ruling is most difficult to comprehend and is certainly unprecedented.

In the National Furniture Manufacturing Company case, the new

Labor Board held that a company's announcement, made by its attorney prior to an election, that it would not deal with the union if it won was found not to be a violation of the Taft-Hartley Act simply because it was made by an attorney rather than an actual officer of the company. Previous Board cases have held to the contrary, and it is certain that the discouraging effect of such an announcement would be the same whether made by company attorney or company official.

In another case union members whose union went on an illegal strike were denied the right to have their jobs back even though they did not participate in any way in the strike. The Board held that these people had an "affirmative duty" to disassociate themselves from their union in order to retain their job rights. Although the new Board members have spoken repeatedly of their desire for "realism" in labor relations, how realistic is it to expect members of a union publicly to parade their disapproval of other members and to disavow their brothers? This is a slap at the whole concept of solidarity and brotherhood in the labor movement.

Another series of cases reversed long-standing Board doctrine which would not permit close relatives of management to vote in an election. In small plants or close elections, the votes of a very few might well decide the issue, and if these few are brothers or sisters of the company president, the issue will invariably be decided in favor of "no union."

In the Auto Parts Company case, the Labor Board withdrew previously existing protections to employees who refuse to cross picket lines by holding that employers are free to discharge any such employees and that such employees do not even have the rights of economic strikers.

THE foregoing are but some examples of decisions by the new National Labor Relations Board which certainly seem to favor the employer side and disregard or destroy previously existing rights of unions and their members. Many additional cases could be cited in which the Board could easily have held against employer contentions but in which the ultimate determination was for the employer.

In this connection the new Board has even (Continued on Page 31)

The President's Mid-Year Economic Report

By **GEORGE T. BROWN**

Staff Member, Office of the President, A. F. of L.

AS AN economic review, this Mid-Year Economic Report is undoubtedly the poorest and most unsatisfactory document ever to appear since the passage of the Employment Act of 1946.

If this so-called Economic Report were designed to present a statistical basis for moving from preconceived political assumptions to foregone political conclusions, then it is eminently successful.

But if the hope was entertained that this slanted document could be palmed off as a substitute for a genuine Economic Report at Mid-Year, then it is a failure. Apparently Lincoln's understanding of American people was better than that of some of his party's successors, for they have not fooled all of the people—including some of the pro-Administration press. To this point, it is worthwhile to quote editorial opinions from two pro-Administration newspapers:

Specifically, the Baltimore *Sun* states rather emphatically:

" * * * A man who reads the sprightly report just issued by the President on the high state of prosperity in the nation might be moved to suggest a new term [for economics]: political economics.

"Let there be no bones about it, Mr. Eisenhower is catching on to the way Presidents and their administrations are elected and continued in office."

Moreover, the New York *Journal of Commerce*, a businessman's newspaper, bluntly states:

"The President's report to the nation on the state of the economy at mid-year is an unsatisfactory substitute for the full mid-year report issued by the Council of Economic Advisers of former years."

* * *

"President Eisenhower's 2,000-word statement is a



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summation of the key economic statistics as of June, 1954; but it does not succeed in putting current economic trends into their proper perspective."

* * *

" * * * he [the President] compared current figures with 1952 in order to prove that 'the overall performance of the American economy thus far during this Administration has been better than during any earlier time.' "

* * *

" * * * this statement of the President's is subject to criticism that it was inspired by political rather than economic reasoning."

Certainly if this so-called Economic Report was issued in this form to demonstrate that the Council of Economic Advisers is to be kept out of politics, then this goal has been achieved.

The Report

Statistics selected for the purposes of the Economic Report are designed to "prove" that:

(1) "The paramount fact about the economy at mid-year is that the recent decline in economic activity has come to a halt."

(2) " * * * the recent economic decline, on an overall basis, has been very small."

(3) " * * * the overall performance of the American economy thus far during this Administration has been better than during any earlier time."

(4) "The value of the people's money has remained entirely intact."

(5) " * * * the increase in wages * * * has continued."

(6) " * * * unemployment in recent months has not been larger than during comparable months in 1949 and 1950."

(7) "An imaginary economic historian * * * might well have described the last year or two as a time when economic miracles were being wrought."

If these conclusions from the Report about the past, the present and the future of the American economy were as factually sound as the hand-picked "statistics" indicated, then the wage-earners of America would be the first to recognize that "they have never had it so good." If the Report had been limited to economic facts of record for the past and the present—and excluded the "miracles" along with the "prosperity-is-just-around-the-corner" implications of the future—then it could have given all of us a sound perspective of just what is happening. Instead, the Report overstates its case in the usual "public relations" approach to politics.

The time has come to put aside the "slick-trick" approach to our economic problems hidden in such words as "the overall situation" and to get down to the "overalls" approach which the wage-earners of this nation need and respect.

The 'Overalls' Approach

Employment

The economic facts of life which wage-earners know from personal experience are that beginning about July, 1953, the economy began to sag. The drop was not equal in all parts of our economy; some industries and their employees suffered more than others. The drop has continued now for just about twelve months. In the last month or two there have been some indications in some areas of the economy that the drop has slowed down or come to a halt. There are other areas where the drop has continued.

No one can know as a fact that the year-old downward trend will be slowed down in the coming months; whether the areas where the downturn has stopped will continue in that condition; or whether the downswing

will continue not only where it has been interrupted but throughout the entire economy.

And no one can erase the uncertainty of a twelve-month downturn from the minds and hearts of people by picking up a statistic here and there based upon an experience of the last thirty or sixty days—no matter how cleverly the techniques of circus barkers and commercial hucksters are used. There may be substitutes for commercial products, but there is no substitute for the truth.

An Example

To illustrate but one deficiency of this so-called Economic Report, consider how it handled production and employment. Specifically, the Report states:

" * * * we find that industrial production has been running 8.1 per cent lower in 1954 than in 1953. BUT IN FORMING A JUDGMENT ABOUT THE STATE OF THE ECONOMY, WE MUST BEAR IN MIND THAT THE WIDELY USED FEDERAL RESERVE INDEX OF PRODUCTION COVERS ONLY MANUFACTURING AND MINING; THAT IT OMITTS CONSTRUCTION, AGRICULTURE, TRANSPORTATION AND A GREAT RANGE OF PERSONAL SERVICES; AND THAT THE OMITTED PARTS ARE A MUCH MORE IMPORTANT SOURCE OF EMPLOYMENT THAN THE INCLUDED PARTS. IT IS DESIRABLE, THEREFORE, TO LOOK AT MORE COMPREHENSIVE MEASURES OF INDICATORS OF ECONOMIC ACTIVITY." (*Emphasis added.*)

While the value of the Federal Reserve Index of Production has long been recognized as a reputable statistical index of the nation's economic trend, let's check just what did happen in those areas of activity which the Index does not measure. Since industrial production also spells out employment in manufacturing, let's find out what happened to employment in *all* the branches of industry omitted by the Federal Reserve Index of Production.

1953-54 Employment Changes

Industry	Gains	Losses	Total Employment July, 1954
Manufacturing		—1,675,000	15,661,000
Construction	50,000		2,819,000
Trade		— 33,000	10,381,000
Finance, Services	97,000		7,771,000
Government	64,000		6,469,000
Transportation and Public Utilities		— 250,000	4,033,000
Mining		— 109,000	727,000
Agriculture		— 342,000	7,486,000
	+211,000	—2,409,000	

Source: Council of Economic Advisers;
Economic Indicators, Aug., 1954.

The figures in the table—complete with all the branches of industry—bear out quite fully the fact indicated in the Federal Reserve Index: for the nation as a whole, employment dropped between July of 1953 and July of 1954.

Certainly the construction industry, which employs directly 2.8 million wage-earners, has had an increase in employment; certainly finance and the service trades have had an increase in employment during these two

dates; and certainly the number of government employees has increased. These are all most welcome facts. But look at the industries, including the leading industry in terms of job opportunities—manufacturing—where unemployment is the fact.

In the industries where 70 per cent of the wage-earners were employed there are job losses since July, 1953; in only those industries which now employ but 30 per cent of the wage-earners is there an increase in employment.

Furthermore, since there was an attempt to "play down" the record in the production industries, let's take another look.

Manufacturing industries are the largest single employers in America. These industries are divided into the durable goods and non-durable goods branches. Aside from temporary upswings of employment due to seasonal changes, employment for production workers in manufacturing has dropped by 100,000 jobs each month from January of 1954 through July of 1954.

In the durable goods branch there has been no seasonal change at all, and employment has dropped every month of the twelve-month span from July, 1953, through July, 1954.

Unemployment

Quite understandably the decline in employment, wherever it took place, has been reflected in the unemployment figures—but not fully. The government's figures count as "unemployed" only the full-time unemployed and do not measure partial unemployment in all its aspects.

Quite understandably, too, this Report spends little time on the problem of unemployment. It acknowledges that there is unemployment; that "unemployment is now greater than during the time of the Korean War"; "that the rate of unemployment in recent months has not been larger than during comparable months in 1949 and 1950."

Since 1949 and a part of 1950 are recognized as the years of the last recession, it is somewhat gratifying that "the rolling adjustment" has now been defined for what it actually was—a recession. Of course, since the Report emphasizes so clearly that this Administration has put a "stop" to the recession, there must certainly have been a recession in the first place.

The recorded facts indicate that between July, 1953, and July, 1954, the number of fully unemployed persons has roughly doubled. The figure published by the President's Council of Economic Advisers for July, 1953, is 1,548,000 and for July, 1954, it is 3,346,000. If partly unemployed are added, the figures will be higher for both dates.

The "tendency" for unemployment to diminish "recently" when checked against the Council's figures indicates that unemployment decreased by 1,000 jobs during June and July, 1954; but it also dropped between June and July, 1953—by 15,000 jobs. This fact indicates the unsoundness of making predictions about the future of unemployment on the basis of one or two months' experience. The decline in unemployment in these two

months of 1953 did not prevent the slide which has continued through 1954.

'Stabilization'

Further analysis of other aspects of this Report demonstrates the slightest changes from the twelve-month downswing of the economy have been pinpointed and blown up to "prove" that the recession has been "stopped" and that the economy has been relatively "stable." This stretching of events which have occurred in the last thirty to sixty days to the point of unlimited optimism simply underscores the political nature of the whole document.

The American economy does not move smoothly, whether it is rising or falling. The pause of the last two months can be the prelude to either recovery or continued downswing. When this Report ignores this fact, then it has lost its claim to serious consideration as an economic document.

The real disservice which the Report renders to the people of America is propagandizing the idea that stabilization of the economy has been achieved and the future can be only bright. Concerning the idea of stabilization, the following excerpts from the recent statement of the Executive Council of the American Federation of Labor are particularly pertinent:

"The Executive Council does not share the satisfaction expressed by government officials in the 'stabilization' of the national economy at the present low levels.

"The American people must not be lulled into a false sense of security by comparisons of current levels of economic activity with those of several years ago. It is not enough to have 1954 manufacturing production at the 1951 level but 9 per cent below last year. It is not enough to have purchasing power barely equal to that of preceding years.

"Our country and its needs are constantly expanding. Steady population growth, with the formation of new households and the movement of young workers into the labor market, requires increased levels of activity even if we are only to maintain existing standards. To label 1954 cheerfully as a 'second best' economic year is a gross deception, for to do so is to cover up the very real economic deficit brought about by underemployment of workers as well as productive facilities and by slowed trade.

"Policies designed to stabilize the prevailing level of unemployment are intolerable. The American economy cannot stand still. A constant growth of economic activity is necessary to keep pace with our nation's expansion and to provide a rising standard of living for all.

"Crucial to the future prosperity of our economy is higher consumer purchasing power. If Congress had acted to increase purchasing power by reducing taxes for low- and middle-income families, providing an increase in the minimum wage and enacting a forward-looking housing program, consumer spending would already have spurred forward to set the country on the way to a return to full employment and prosperity. With none of such action taken, (Continued on Page 32)

What America Must Do

GEORGE MEANY'S ADDRESS TO THE AMERICAN LEGION CONVENTION SEPT. 1

MY PURPOSE here today is to sound a public warning against the deadly drift into defeatism that has swung the free world far off course. Before taking up that grave situation, permit me to extend to the American Legion the warm fraternal greetings of the ten million members of the American Federation of Labor. The traditional friendship of our two organizations remains alive and grows stronger because we both hold to the belief that our nation's welfare takes precedence at all times over any other considerations. That friendship has been further enhanced through the years by our mutual reliance upon the basic American principle that human values come first.

Some people are content to give lip service to principle and let it go at that. We cannot. The American Legion and the American Federation of Labor are action organizations. To keep faith with the millions of Americans we represent, we must in good conscience try and keep trying to translate principle into living and breathing reality—in other words, to make democracy work.

In that endeavor we have made common enemies. We have both encountered resistance and opposition from certain selfish interests time and again when we tried to do something to advance the welfare of those on the lower rungs of the economic ladder. That's what happened when we both went to bat for a decent low-cost housing program. It is happening again now in our efforts to secure adequate medical protection for the millions of people who do not have the means to buy medical care when serious illness strikes.

Labor ran into a head-on collision with the American Medical Association the moment we espoused a program, as sound as social security, for insuring the American people against the high cost of illness. They called our plan "socialized medicine" and



A. F. of L. President Meany as he addressed Legion's parley

organized a high-powered campaign to block it. The Legion is now getting the same treatment from the A.M.A. merely for urging more adequate medical care for veterans.

Politicians have quailed—and some still do—before the wrath of the American Medical Association. But I am confident the Legion will not back down. I hope and trust you will continue to keep up the good fight, and I can assure you of the full support of the American Federation of Labor in your efforts to protect the interests of the nation's veterans.

This is but one example of the growing community of interest between our two organizations on domestic issues.

IT is in the field of national defense and foreign policy, however, that the American Legion and the American Federation of Labor have stood and must continue to stand most closely united. That is why I have chosen this forum to speak out frankly about the shocking deterioration that has taken place during the last year in the world situation.

I have no partisan political motive. I speak for an organization wedded to peace and freedom which has consistently opposed all forms of dictatorship, even when such a course was unpopular—an organization which has frequently called attention in the past to looming threats to the security of our free way of life that others failed to take seriously until it was too late to prevent war.

Another major threat faces the free world today. It stems from the soft-headed illusion that we can safely accept a state of "co-existence" with Soviet Russia on the Kremlin's own terms. That illusion, cleverly fostered by Communist leaders, is blinding our friends in Europe and Asia to the facts of life. It is weakening the moral and physical resistance of the democratic world to tyrannical oppression. It is disintegrating our carefully built-up defense against future aggression.

Let us examine the facts realistically.

Every act of aggression anywhere in the world since the end of the Second World War has been fomented and financed, plotted and supported by the Soviet Union. Every attempt to establish effective international machinery to curb and counteract aggression has been opposed and sabotaged by Moscow. Every effort to strengthen the United Nations has been vetoed by the Kremlin's representatives. Every plan to bring about world disarmament, safeguarded by international inspection, has been blocked by the Communist dictators. Every conference seeking to effect an

Austrian peace treaty and to reestablish Germany as a united nation, after free elections, has been stymied by the Soviet bloc.

In the face of that record of naked enmity, deliberate terrorism and blanket refusal to cooperate in any sincere and practical program for peace, how can any sensible person or free nation accept at face value the Kremlin's latest Trojan horse of "peaceful co-existence"?

To answer that question it is necessary to analyze the two main developments in world affairs that have occurred in the past year. These are, first, the continuous advance of Communist rule, culminating in the partition of Indo-China at Geneva; and, second, the increasing disunity, hesitation and lowered morale in the democratic camp.

The Geneva conference, like Munich, will go down in history as a point of no return. The free world gave away the most pivotal area in Southeast Asia to the Communists. It surrendered twelve million people, without even consulting their wishes, to Iron Curtain slavery.

Soviet propaganda for months past has been calling for the elimination of world tension by negotiation with the Moscow-Peiping Axis. When we get down to cases, we find that what the Communists really mean is that world tension can be reduced only by concessions to the Russian and Chinese Reds.

Can anyone in his right mind really believe that the Geneva settlement on Indo-China represents a contribution to world peace? Let us have no illusion on this score. What happened at Geneva has merely served to whet the appetite of the Communist conspiracy for further conquest. If the outcome at Geneva can be regarded as a successful application of the policy of peace by negotiation with the Communist dictators, then it is plain to see that a few more successes will mean the end of freedom in all Asia and all Europe.

After the end of World War II our nation earned a position of world leadership, not so much because of our dominant wealth and military power, but because of the courage and decisiveness with which we met crises as they arose. First came the Truman Plan, which saved Greece and Turkey from falling victim to aggression. Shortly afterward the Marshall

Plan helped to rescue the impoverished and desperate nations of Europe. Finally, we proved our mettle by halting the Communist invasion of South Korea.

By that intervention in behalf of a defenseless free land, costly as it was in human and material terms, we served notice on the Communist world that we were ready to fight for peace and freedom. We tried, at great sacrifice, to prove to the Communists that the international crime of aggression no longer would pay. Even though the war in Korea ended in a stalemate, we felt it had succeeded in safeguarding world peace for some time to come.

Soon after the signing of the Korean truce, the Administration, in a wave of overconfidence, invoked a "new look" defense policy that drastically curtailed the armament program. At the same time our government announced a policy of "instant, massive retaliation" that was supposed to deter the Communist conspiracy from taking advantage of our lowered guard.

THIS was a mistake. The Communists are experts at the game of bluffing. They are not frightened by mere words. Taking advantage of the truce in Korea, the Chinese Communists, with the aid of Moscow, swung heavy reinforcements into the simmering guerilla conflict in Indo-China and turned it into full-fledged, aggressive warfare.

This was a moment of crisis. France was too weak, too irresolute to go it alone. The people of Indo-China, reduced to despair by colonialism, lacked the incentive, the will to resist that inspires free men fighting to defend their independence. The eyes of the free world turned to America for the answer. And America looked the other way.

At first there was talk in high places in our government of armed intervention to defeat Communist aggression in Indo-China. This quickly gave way to frantic denials. During the crucial period America's only policy was a lack of policy. We did nothing except to continue the "too little, too late" program of sending military supplies to the Indo-China front.

Under the circumstances the French, with British support, decided at Geneva to accept the best possible

deal they could get from the Communists. America kept hands off the Geneva decision, but we cannot escape a major share of the responsibility for it. To put it bluntly, when the test came our government lacked the courage to make a hard-and-fast decision and did nothing. That is why we have fallen to a new low in world esteem. It is the basic reason why our allies no longer place full confidence in our leadership. Because of this, the drift of the free world into defeatism has gained momentum.

We must recognize that while war weariness is an important factor even in our own country, it is much more intense in Europe and Asia. The Communists are taking full advantage of it. They need a breathing spell in which to straighten out their internal problems, to consolidate their gains and to tighten their grip on new territory. So Malenkov dangles before the free world the tempting bait of "peaceful co-existence" which Lenin and Stalin originated as a deliberate tactic to disarm the democracies while the Communists get ready for a stepped-up program of aggression and subversion.

The whole history of the Communist dictatorship shows that it seeks cooperation with non-Communist nations only when it needs such cooperation as a temporary measure to advance the Kremlin's goal of world domination.

Yet look at the way in which our friends in Europe and Asia are leaping at the obvious bait. Anxious for peace, hungry for trade, disappointed in American vacillation and willing to believe in the fatal illusion of Communist friendliness, they are virtually jumping into the Kremlin's lap. Government officials, political leaders, business men and labor spokesmen are making missions to Moscow and Peiping, wining and dining with Communist murderers and bestowing congratulations upon the so-called "people's revolution" which has condemned thirty-one million men and women in Red China alone to an abbreviated lifetime in slave labor camps.

This new enthusiasm for so-called "peaceful co-existence" is gaining converts here in America as well. The Administration is doing nothing to expose its dangers or to halt the trend. On the contrary, if any policy exists it consists merely of passive

acceptance and non-interference. We are told by the President himself that we should stop thinking in terms of leadership and start thinking in terms of partnership with the other free nations.

This attitude sounds modestly constructive, but it can lead only into the blind alley of defeat. World leadership is not of our seeking. It was thrust upon us by fate. Only America has the strength, the will, the resources and the faith to lead humanity into security from the menace of communism. We cannot abdicate that leadership without endangering our own freedom and blotting out our whole future.

Let us then exert leadership with vision and with clarity, with courage and with dependable consistency, with true respect for our partners but without compromising our principles.

There are those who see no way out of the world dilemma save by maintaining "co-existence" even at the price of appeasement or by fighting a preventive war.

We in the American Federation of

Labor reject both of those alternatives. We see a better way out, even though it will require more patience until peace is finally made secure. Here is the clear-cut program adopted by the Executive Council of the American Federation of Labor:

(1) For the immediate future, complete rearmament—military, economic, political and social—on a scale adequate to discourage and defeat Communist subversion and aggression against free nations on all continents.

(2) At the same time, in proof of our peaceful intentions, we must exert increased pressure for eventual disarmament—on both sides of the Iron Curtain—under a practical, step-by-step program effectively policed by rigid international inspections.

(3) An end of colonialism by setting time limits for granting independence to the existing colonies of free nations—just as the United States did in the Philippine Islands.

(4) Expansion of trade in the free world, with improvement of purchas-

ing power and economic conditions in distressed countries.

(5) Permanent opposition to admitting into the United Nations Red China or any other nation which denies its people the human rights specified in the U.N. Charter or has been found guilty of aggression.

(6) Continued pressure for elections supervised by the U.N. in all areas of conflict so that the people themselves can decide their form of government.

(7) Negotiations for the settlement of international disputes to be conducted through the U.N. rather than on the basis of power politics.

(8) Reunification of the free world through the establishment of an all-inclusive collective security system that will supplement regional or bilateral mutual-aid pacts.

If we set our sights on such a course, I am convinced that we will be able to steer clear of the twin dangers of self-destruction and Communist aggression and eventually reach our goal—lasting world peace and security for the free way of life.

We Must Gain Friends in Congress

By JAMES L. McDEVITT, *Director, Labor's League for Political Education*

OUR collective bargaining contracts are safe just so long as we are able to protect them from political attack. This is the plain fact. And this message has been carried to the various area conferences conducted by Labor's League for Political Education.

Area meetings have been held in the East, Middle West, South and Far West. The enthusiasm at each of these meetings has given clear proof of the great grass-roots demand for strong political action in this crucial election year. Everywhere wage-earners are showing their understanding of the need for the election to Congress this November of more legislators friendly to the people who toil for a livelihood.

The area conferences served to introduce L.L.P.E.'s area directors to the A. F. of L. representatives in the states where the area directors are at work. The League's area directors are Hugh Mullin for the East, Charles

Houk for the South, Stanley Elliott for the Middle West and C. Al Green for the West. They are now working night and day to help strengthen L.L.P.E. units in every community in their respective areas.

The real issues facing the American people in 1954 are such matters as jobs and unemployment, the cost of living, the Taft-Hartley Act, health insurance and the revival of the discredited "trickle down" theory used with such disastrous effects during the Hoover administration.

American labor will not be taken in by smears and wild mud-slinging in the 1954 campaign. The American Federation of Labor and its membership were fighting communism and all other totalitarian conspiracies long before Senator McCarthy belatedly discovered that communism is vile.

The Taft-Hartley Act forbids use of union funds as political contributions to any Congressional candidate. It costs many thousands of dollars for

any candidate to run a successful Congressional campaign. The special-interest lobbies do not give any contributions to candidates who are concerned about the problems of working people.

So it is up to each member of the A. F. of L. to give just one dollar as a voluntary contribution to L.L.P.E.'s political fund. This fund is used only for the purpose of supporting candidates endorsed by the local and state L.L.P.E. units. One-half of every dollar given to L.L.P.E. goes back automatically to the League in the state where the dollar was given. The other half is kept in a national reserve fund to be used wherever the need is the greatest and the chances for victory are the best.

Labor's League is your best means of exerting your right to select those by whom you will be governed. If you haven't given your dollar already, won't you please do it today? In this struggle every dollar counts.

The Social Security Amendments of 1954

By **NELSON H. CRUIKSHANK**

Director, Social Insurance Activities, A. F. of L.

IN THE closing hours of the last session of the Eighty-third Congress, the Senate followed the action of the House in approving the conference report on H.R. 9366. With President Eisenhower's signature September 1, the bill became law, to be known officially as the "Social Security Amendments of 1954."

While this measure, in a number of significant respects, falls short of the comprehensive improvements advanced by the American Federation of Labor, its enactment represents substantial improvement in our social security system. The amendments of 1954 now take their place with the milestones of progress marked by the passage of the original act in 1935 and the amendments of 1939 and 1950.

Commenting on the enactment of this measure by the Eighty-third Congress, the Executive Council of the American Federation of Labor, at the recent meeting in New York, stated:

"One of the few bright spots on the generally bleak record has been the improvements proposed in the nation's social security system."

It has been a long, tortuous journey from the point eighteen months ago when Mrs. Oveta Culp Hobby (who was at that time still Administrator of the Federal Security Agency—the elevation to a Cabinet post came later) appointed a small group consisting almost entirely of life insurance executives and Chamber of Commerce "experts" to advise her on social security matters; through the way station where her Department, and later the Administration, became committed to the basic principles of our social security system; through the maze of Congressional committees and floor actions to the point where the final bill lay freshly signed on the President's desk.

It was a journey beset with frightening perils and pitfalls. As one looks back on it now, it appears like something of an adventure. Time was not so long ago when the roar of a subcommittee chairman like Congressman Carl Curtis of Nebraska sounded like that of a hungry lion in the jungle. With appetite whetted by his \$100,000 appropriation to "study" social security with the aid of a staff picked from the Brookings Institution and State Chambers of Commerce, he stalked to and fro over the face of the earth threatening a quick, though far from painless, death to the system which four years before he had characterized as "totally immoral."

It now seems hardly possible that only a few short months ago the U.S. Chamber of Commerce was able to quicken with fear the heartbeat of every adherent to



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sound social security principles—not to mention the millions of older people looking to the system for a degree of security—with its country-wide series of mass meetings where, under the beguiling slogans of "end discrimination among the aged" and "pay as you go," the destruction of a soundly financed contributory program was being plotted.

Some day someone will write the full, detailed account of how a bill is developed and how it progresses through all the stages of advisory councils, Congressional hearings, executive (mark-up) sessions of committees, floor debate, amendments and conference reports to final action. It will be an interesting and in many ways an exciting story. But that is not the purpose of this article. At this time I want to describe, first, the main provisions of the new law and what they mean to members of A. F. of L. unions and their families, and, second, to indicate the unfinished business that remains to bring social security up to the standards of adequate protection for working people who reach retirement age, and for members of families of wage-earners who die or who become disabled.

Principal Provisions of the New Law

The new law amends the federal old-age and sur-

vivors' insurance provisions of the Social Security Act, the corresponding provisions of the Internal Revenue Code, the public assistance title of the Social Security Act and the Railroad Retirement Act. This article will describe the six major changes in old-age and survivors' insurance.

(1) Coverage of the system is extended to about 10,000,000 persons who work during the course of a year in jobs which under the old law were excluded from the program. The new groups include about 3,600,000 farm operators, 3,500,000 employees of state and local governments, 2,100,000 hired farm workers, 250,000 domestic workers, 250,000 ministers and Christian Science practitioners (on an elective bases), 150,000 employees of the federal government not covered by civil service retirement or other staff retirement plans, 100,000 self-employed architects, engineers, accountants and funeral directors, 100,000 American citizens employed by American concerns outside the United States, 100,000 home workers, 50,000 employees engaged in fishing and related activities, and a small number of American citizens employed by American employers on vessels and aircraft of foreign registry.

Self-employed doctors and dentists are still excluded. Employees of the Tennessee Valley Authority are likewise excluded, despite the fact that their staff retirement plan is designed as supplementary to social security.

Employees of state and local governments, who were excluded under the old law if they were under a retirement plan, can now come under social security if a majority in any appropriate group (as determined by the state) vote to come under. The new law contains a statement to the effect that it is the intent of Congress that existing retirement plans be continued as supplementary to social security. Policemen and firemen are not eligible for the elective coverage, as social security is not suited to the very special requirements of their employment.

(2) The method of computing the average monthly wage is improved. In general, every person who first qualifies for benefits under the new law can drop out four years of low or non-existent earnings. Actually this permits all those in the groups newly covered to become eligible just as they would have if they had been covered by the 1950 amendments, as they will naturally drop out the years 1951-1954. If, in addition, a person has twenty quarters of coverage, he can drop out any five years.

An illustration serves to point out the advantage of this provision. Suppose John Brown reaches age 65 in 1960 and is computing his average wage under the provisions of the 1950 amendments. For five years he was under social security, earning \$300 per month. For three years he worked for the TVA and for two years he was unemployed due to illness. Without the dropout provision his average wage would be \$150 per month (total credited earnings of \$18,000 ÷ 120 months). This would entitle John Brown to a primary benefit of \$68.50 per month. But he can now drop out the five low

years and compute his average wage as \$300 (\$18,000 total earnings ÷ 60 months), which entitles him to \$98.50 primary monthly benefit. If Mrs. Brown is also aged 65, the dropout makes the difference between \$102.80 and \$147.80 monthly benefits for the two. Not many workers would be able to profit to this extent by the dropout, as this is something of an exceptional—though not impossible—case.

(3) The total annual earnings on which benefits and contributions are based are raised from \$3600 to \$4200. This provision adds substantially to the financial resources of the system and restores to some extent the relation of benefits to wages for those having higher earnings.

Opponents of the bill made much of the fact that the amendments improved benefits for the higher wage groups proportionately more than for the lower wage groups. [See Tables I and II.] What they conveniently forgot was that the amendments of 1950 and 1952 did just the opposite. Moreover, those eligible for higher benefits more than pay their own way, while those whose benefits are based on lower earnings draw from the contributions based on the higher wages.

(4) Benefits are increased. First, for the 6,600,000 persons now on the rolls benefit increases are provided on the basis of a conversion table. Increases will average about \$6 per month for retired persons, with proportionate increases for dependents and survivors. The range in primary insurance amounts will be \$30 to \$98.50, as compared with \$25 to \$85 under the old law. These benefits are illustrated in Table I.

Table I: Illustrative Monthly Benefits for Persons on the Benefit Rolls Prior to August 31, 1954

Previous primary insurance amount	New primary insurance amt.	New monthly benefit for worker and wife ¹	New monthly benefit for widow ²	New monthly benefit for widow and 2 children
\$25.00	\$30.00	\$45.00	\$30.00	50.00
30.00	35.00	52.50	30.00	52.50
40.00	45.00	67.50	33.80	67.50
50.00	55.00	82.50	41.30	82.50
60.00	65.30	98.00	49.00	107.50
70.00	78.50	117.80	58.90	157.00
80.00	91.80	137.70	68.90	183.60
85.00	98.50	147.80	73.90	197.00

¹ With wife aged 65 or over.

² Also single surviving parent or child.

Secondly, persons who retire or die in the future will, in general, have their benefits (or those of their survivors) computed by the following new formula: 55 per cent of the first \$110 of average monthly wage (rather than \$100 as in the old law) plus 20 per cent of the next \$240 (rather than 15 per cent of the next \$200). Additional amounts for dependents are based on the same formula as under the old law. The minimum benefit for a retired worker will be \$30, and the minimum amount payable when only one survivor is entitled to benefits on the earnings of a worker who has died will be \$30. Moreover, the maximum monthly family benefit of \$168.90 is raised to \$200.10 and the provision that

total family benefits cannot exceed 80 per cent of the worker's average monthly wage will not, under the new law, reduce the total family benefits below one and one-half times the insured worker's primary insurance amount or \$50, whichever is the greater. Lump-sum death benefits remain at three times the primary insurance amount, with a top limit of \$255.

Table II gives examples of benefits for workers who qualify after August 31, 1954, comparing them with the benefits provided under the old law. Table III illustrates the benefits available to survivors of workers who die

Table II: Illustrative Monthly Benefits for Retired Workers

Av. Monthly Wage ¹	Old Law		New Law	
	Single	Married ²	Single	Married ²
\$100	\$55.00	\$80.00	\$55.00	\$82.50
200	70.00	105.00	78.50	117.80
300	85.00	127.50	98.50	147.80
350	85.00 ³	127.50 ³	108.50	162.80

¹ Assuming level earnings. Many workers' average wages will be increased by the five-year dropout. Slightly higher benefits will be produced by applying 1952 formula and conversion table for all persons having average monthly wage less than \$130.

² With wife aged 65 or over.

³ Old law included earnings only up to \$300 per month.

Table III: Illustrative Monthly Benefits for Survivors of Insured Workers

Average Monthly Wage ¹	Aged Widow or Widower ²		Widow and 1 child ³		Widow and 2 children		Widow and 3 children	
	Old Law	New Law	Old Law	New Law	Old Law	New Law	Old Law	New Law
\$100	\$41.30	\$41.30	\$80.00	\$82.60	\$80.00	\$82.60	\$80.10	\$82.70
200	52.50	58.90	105.00	117.80	140.00	157.10	160.20	160.20
300	63.80	73.90	127.50	147.80	168.80	197.10	168.90	200.10
350	63.80 ⁴	81.40	127.50 ⁴	162.80	168.80 ⁴	200.00	168.90 ⁴	200.10

¹ Assuming level earnings. Many workers' average wage will be increased by the five-year dropout.

² Also single surviving parent or child.

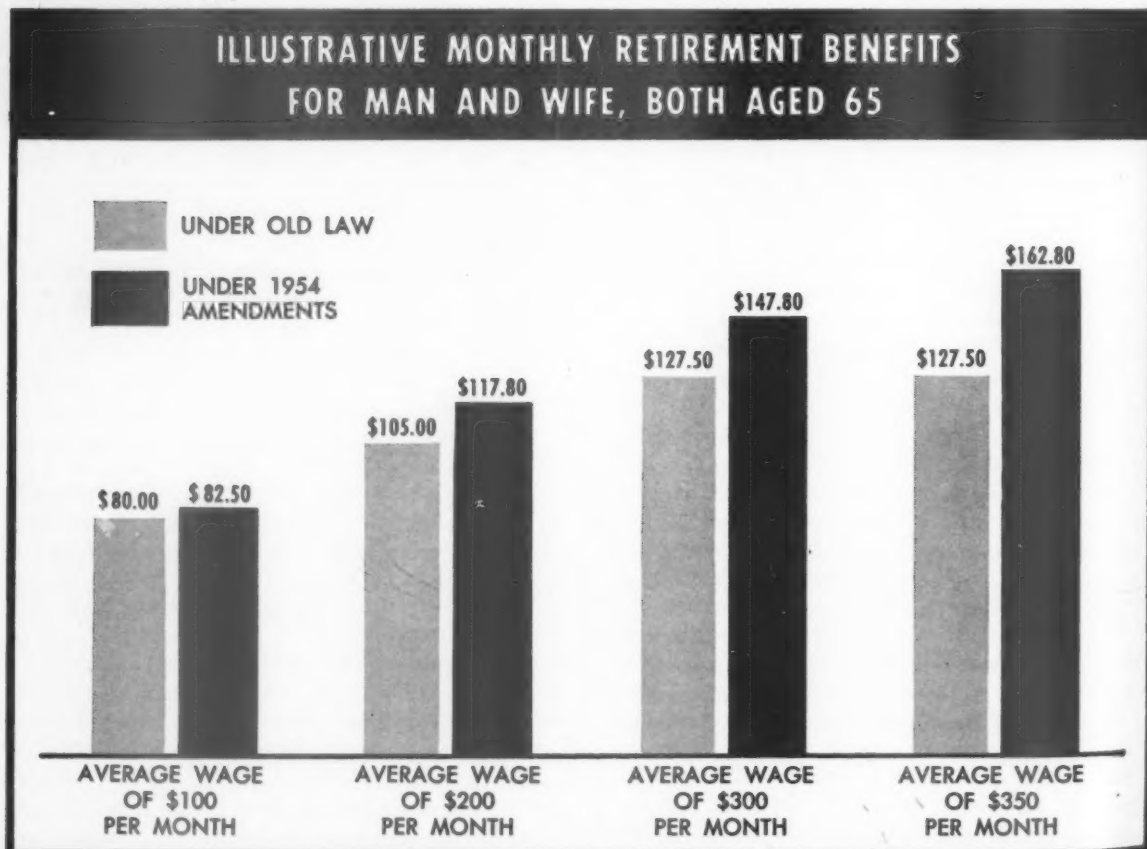
³ Also two aged parents.

⁴ Old law included earnings only up to \$300.

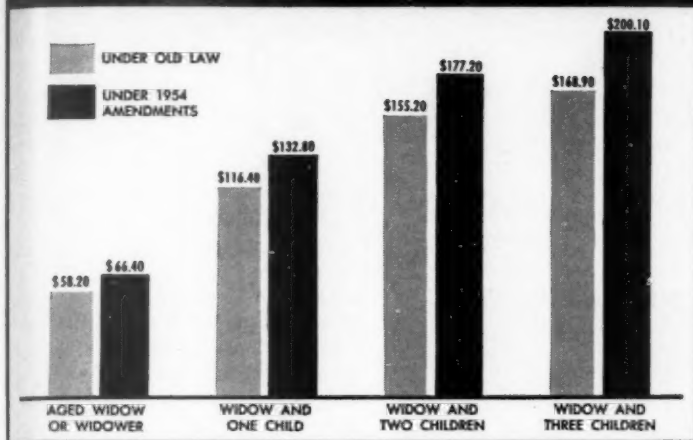
after the new law becomes effective, comparing them also with the benefits of the old law. These comparisons are also illustrated in the charts which appear at the bottom of this page and on the page opposite.

(5) The test of retirement is improved. Old-age

and survivors' insurance is designed as insurance against loss of wages or income from self-employment due to old age or death of the family breadwinner. Since it is insurance, in the case of retirement, workers cannot expect to collect benefits except where there is actual



ILLUSTRATIVE MONTHLY BENEFITS FOR SURVIVORS OF INSURED WORKERS WITH AVERAGE MONTHLY WAGES OF \$250.00



loss of wages. In practice the requirement has applied to a test of retirement—or substantial retirement—from the labor market.

Under the old law the test for wage-earners was on an all-or-nothing basis. For any month in which a worker between the ages of 65 and 75 earned \$75 or more in covered employment, he was denied his social security benefits.

Provision for retired people engaging in some useful activity of a nature suited to their age is gaining acceptance. This should not be of a kind that encourages them to accept jobs at substandard wages.

Both principles are recognized in the provision of the new law. Now a beneficiary can earn as much as \$1200 in a year without loss of benefits. He will lose one month's benefit for each month in which he earns \$80 or more after the allowable \$1200. The test is now identical for wage-earners and self-employed and applies to earnings in both covered and non-covered employment, but only to age 72.

(6) Benefit rights are preserved for the disabled. Under the old law a workers' right to old-age and survivors' insurance might be reduced or lost entirely because of physical disability. If he did not have the quarters of coverage necessary to be fully insured when he became disabled, he could not qualify for any retirement benefits. Even if he was fully insured, his average monthly wage on which benefits are computed would be substantially reduced by including in the computation the years of no earnings.

The new law "freezes" the worker's rights to benefits as of the time he becomes totally disabled. In addition, the disabled worker has available the advantage of the four- or five-year dropout

provided for all persons. This provision is analogous to the "waiver of premium" common to commercial life insurance and annuity policies.

The law contains further provision for referral to state rehabilitation agencies for those who are determined to be totally disabled.

Other Changes in the Law

There are a number of other changes, some of them of a technical nature, which affect the protection afforded to working people under the system. They include changes in the long-term financing of the program, provisions for recomputation of benefits and new rules for eligibility. Union members who are approaching or who have reached retirement age should be encouraged to visit

their local office of the Social Security Administration, where the provisions of the law will be explained in detail.

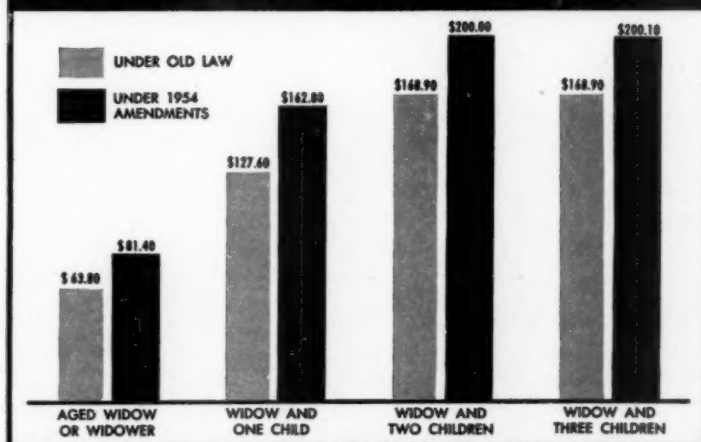
Additional Improvements Needed

Beneficial as these changes are, they still fall short of the objectives of the program advocated by the American Federation of Labor. This program has been carefully worked out over the years, based on resolutions adopted by the conventions and recommendations of the A. F. of L. Social Security Committee.

Foremost among the needs is provision for the payment of benefits to workers who are totally disabled. As President Meany stated in his testimony before the Senate Finance Committee:

"It is not enough to say to the permanently and totally disabled worker, as does (this bill) in effect, 'If you can contrive to hold body and soul together during your years of incapacity until you (Continued on Page 32)

ILLUSTRATIVE MONTHLY BENEFITS FOR SURVIVORS OF INSURED WORKERS WITH AVERAGE MONTHLY WAGES OF \$350.00



Should American Ships Get Off the Ocean?

By **JAMES A. BROWNLOW**

President, A. F. of L. Metal Trades Department

THERE is no part of our economy which is more important to our people than the American merchant marine. Today the American shipbuilding industry is demoralized. Its workers, including among them the best craftsmen on whose high skill this industry must depend, have no hope of steady dependence on shipyard work for making their full contribution to production and no assurance of steady income from this work.

Normally, the worker in almost any American industry can look forward to stable employment at his particular trade. He takes pride in the fact that he has accumulated years of experience working at a particular skill. What would be normal for the average American worker is but a pipe-dream to the worker in American shipyards.

Employment in America's shipbuilding has become so erratic, uncertain and often so dependent on unpredictable changes in Congressional policy that its workers can have no confidence in steady productive employment in the future.

A quick look at the record will make this clear. Three times in the past forty years the shipbuilding industry has had to start practically from scratch and rush into large-scale production to meet the urgent needs of a national emergency. Each time the industry was completely unprepared for the crucial task. Each time it did what it was called upon to do in a great rush and a very costly rush.

Before World War I our merchant marine was so neglected that America's ships were carrying only 9 per cent of this country's export and import trade. The efforts by the shipbuilding industry to meet the emergency demands of 1917 proved far more costly and less efficient than



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would have been the case had America been willing to support an adequate merchant marine.

The same pattern was repeated twenty-five years later, even though Congress had clearly expressed itself in favor of an adequate merchant marine in the Merchant Marine Act of 1920 and again in the 1936 Merchant Marine Act. The plain fact is that America's shipbuilding industry was quite unprepared to meet the needs of national defense in 1939-1941 and, later, of wartime expansion.

Some expansion had been instituted before Pearl Harbor as a result of orders from both the British and U.S. governments. Nevertheless, the shipbuilding industry was forced to expand from a total employment of approximately 100,000 workers in 1940 to almost 1,400,000 in 1943. Between 1941 and 1945 the net product of this greatly increased employ-

ment was a total of 5,280 oceangoing ships totalling more than 54,000,000 deadweight tons. This was a truly inspiring performance. Both labor and management in the shipbuilding industry performed a magnificent job, starting from almost nothing to develop a highly productive network of shipyards within a very limited period of time.

After the war the shipbuilding industry was allowed to slip back into a "business as usual" pattern. It was only the outbreak of the war in Korea that forced a reexamination of this attitude.

Employment in the nation's private shipbuilding yards had been allowed to fall as low as 70,000 by June, 1950—a mere 5 per cent of the wartime peak. Suddenly the nation awoke to face the fact that additional shipping was badly needed not only to meet the commitments in Korea but, in addition, to provide a basis for meeting other national defense requirements that might arise.

As a result of the new contracts that developed at that time, employment in these private yards increased 90 per cent from June, 1950, to an average of 133,000 in 1952.

Today, however, conditions have once again reached the conditions of a crisis. It is true that 1953 marked the completion of forty-five sizable seagoing vessels with a total weight of 570,000 gross tons. Nevertheless, the number of ships under construction today is rapidly declining. This is due to the fact that shipyards are currently working only on orders that were placed before December, 1952. Not a single contract for a seagoing, offshore merchant ship of any type has been placed in a United States coastal shipyard for the past eighteen months. As each ship is delivered, a substantial number of workers must be laid off, since no new work has

been received which could provide employment for them.

According to the June 1, 1954, report of the Shipbuilders' Council of America, only twenty-nine large merchant vessels were then under construction or on order, with thirteen of this number scheduled to be delivered in June or July. All but two of these ships will be completed by the end of 1954.

The decline in American shipbuilding has been accompanied by a phenomenal increase in shipbuilding activities in other nations. The United States, whose shipbuilding industry has been many times the world leader, is now ranked seventh.

As of last April, the shipyards of Britain, Sweden, Germany, Holland, France and Norway were all constructing a greater volume of merchant shipping than the United States. During the past year America's share of the world's shipbuilding tonnage has dropped from 7.7 per cent to only 4.4 per cent.

The lack of shipbuilding in United States yards is not caused by a lack of interest on the part of American business in owning additional seagoing vessels. Quite the contrary. Major corporations, such as the Aluminum Company of America, the United Fruit Company and many others, want to add to their merchant fleets and, in fact, have contracted for the building of additional ships. However, instead of placing their orders with American shipyards, these companies have all contracted with foreign shipbuilding concerns for the construction of the ships they need. According to the *New York Journal of Commerce* (June 9, 1954), "the volume of American-financed new ship construction placed with foreign yards during the postwar period reached just short of \$1 billion."

The *Journal of Commerce* goes on to point out that between June 1, 1953, and June 1, 1954, orders for forty merchant ships, with over 825,000 deadweight tons and a total contract value of over \$115 million, were placed by U.S. concerns in foreign yards. These ships include such diverse vessels as special carriers for bauxite, refrigerated cargo ships and specially designed carriers for paper. There are, in addition, twenty-nine tankers among these forty vessels. The shipyards which will benefit by these contracts are located in Ger-

many, France, Japan, England and Sweden.

It is necessary that these facts be emphasized in order to put the present plight of American shipbuilding in true perspective. It is not my purpose to chastise the American business firms for doing what they did. They were only following the sound business principle of getting the most for their money. The point I want to stress is that foreign shipyards have a wide margin of advantage over our American shipyards in the form of lower costs. Part of this advantage lies in the fact that shipyard workers in foreign countries are low-paid.

THE American shipyard workers can outmatch, in productive performance and efficiency, the shipyard workers of other countries. Yet the differential in wage levels in the U.S. and abroad is much greater than any edge our shipyards may establish through more efficient performance.

Even more important than this wide differential in labor costs is the enormous advantage gained by the foreign shipyards from a wide range of subsidies given them by their governments. Here are a few examples of these subsidies:

Denmark—The government allows

50 per cent of the cost of constructing a new vessel to be written off immediately upon the signing of the construction contract.

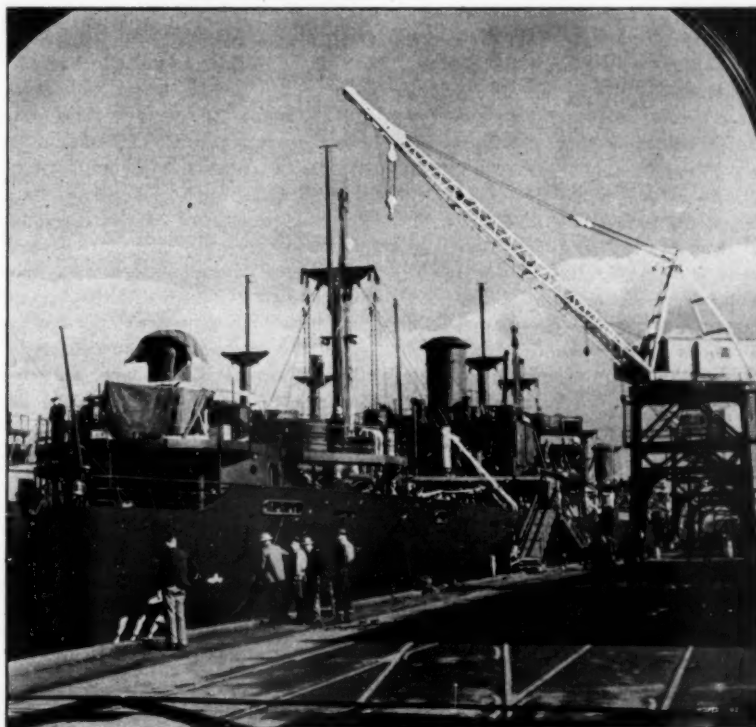
France—In addition to accelerated depreciation, there is also a provision for a substantial operating subsidy.

Sweden—Provisions regarding depreciation are such that the owner of a new ship can write off the cost of his vessel in whatever period he chooses.

Italy—In addition to a very high construction subsidy, all revenue derived from new ships for the first three years is exempt from income taxes.

Is it any wonder that American companies do not turn to their own shipyards but instead are drawn like magnets to these highly subsidized yards in other countries?

The net result of all these developments has been depressed conditions for American shipyards in the midst of worldwide prosperity for foreign shipbuilding concerns. I am in a position to report, on the basis of information received by the Metal Trades Department, heavy layoffs and lowered employment for American shipyard workers. Reports from all over the country make it clear that layoffs have affected (Continued on Page 34)



Employment in U.S. shipyards has plunged to a dangerous level

REPORT ON GUATEMALA

By SERAFINO ROMUALDI

A. F. of L. Representative for Latin America

DURING the months of July and August, I spent considerable time in Central America, particularly in Guatemala, the country that now holds the spotlight as a result of the overthrow, early in July, of the Communist-dominated Arbenz government.

Under that government Guatemala had become a totalitarian state, thoroughly committed to an international policy of steady support of Soviet Russia and consistent opposition to the United States. The Communists were in complete control of all the media of public information, with the exception of some newspapers; most of the trade unions and farm labor organizations, and all four political parties composing the government coalition. They had in their hands the presidential secretariat, the social security administration, the agency in charge of agrarian reform and—most important of all—the police force. The Communists failed, however, to gain complete control of the army, and that, when the crucial moment came, proved to be their fatal weakness.

It is not necessary to relate here in detail the events which, starting with the crossing of the border during the third week of June by the so-called Liberation Army, led by Colonel Carlos Castillo Armas, culminated early in July in the resignation of President Jacobo Arbenz Guzman and the emergence in succession of three military juntas, ending up finally with the one in which Castillo Armas held the top post, until he assumed sole power on September 1.

I wish to point out, however, that the Liberation Army—to which the National Union of Free Workers of Guatemala contributed all of its leaders who were in exile—is enjoying the enthusiastic support of most of the people, as was demonstrated on several occasions during the brief period of the civil war and after the abortive attempt by some regular army elements to overthrow the provisional government early in August.



MR. ROMUALDI

It became apparent to me, soon after my arrival in Guatemala, that the people were solidly behind Castillo Armas and that a strong wave of anti-communism was sweeping the country. The discovery of scores of corpses of victims of the Red terror, the stories of tortures told by the released prisoners and the revelations concerning the huge sums of money stolen by Arbenz and his cronies during the last weeks of his regime greatly contributed to inflame popular indignation and passions.

Unfortunately, this wave of anti-communism threatened to sweep away the labor movement itself. The monopoly which the Communist Party had had in the labor movement and the use the Communists had made of unions for their political purposes have led many Guatemalans to look upon unionism as a synonym for communism. A major task in Guatemala,

therefore, is to persuade the people by argument and through experience that free trade unionism is the main means of preventing the resurgence of the Communist danger.

This was the main reason for my visit to Guatemala at the invitation of Ruben Villatoro, president of the National Union of Free Workers, who following the downfall of the Arbenz regime returned to his country from his exile. I arrived in Guatemala on July 16 and found there Mr. Daniel Benedict of the Congress of Industrial Organizations, who had arrived the day before. The following day we were joined in turn by Mr. Raul Valdivia, of the Cuban Confederation of Labor. My friends Benedict and Valdivia were compelled to leave for home after four days, but I was able to remain for a few more days and then, early in August, after spending some time in Honduras and Costa Rica, I returned to Guatemala on my way back to the United States.

FROM the very beginning of our activities in Guatemala, my colleagues and I realized that the free trade union movement needed trained leaders and experienced organizers. The Communists had taken over all of the leader posts in the old unions, and since they had been ousted or gone into exile or underground, a vacuum was left. Nevertheless, we were able to bring together a group of people, mostly young elements, representing over twenty unions, in the capital city, and formed a National Committee for Trade Union Reorganization, of which Ruben Villatoro became the president.

This committee has received from the government definite assurances that all the benefits gained by the workers under the Labor Code and the social security legislation will be preserved and that freedom of trade union organization will be respected on the condition, however, that the unions purge themselves of Communist and fellow-traveling leadership.

To gain this end, the government issued a decree which ordered, within the period of three months, the renewal of all the unions' executive boards, maintaining at the same time the legal status of the unions themselves.

After my return to the United States, I learned that the new Guatemalan government had made an exception to this pledge of maintaining the legal status of the unions by dissolving the Teachers' organization, the Railway Union called SAMF which was the strongest in the country, and two labor syndicates in the United Fruit Company's banana plantations at Tiquisate, on the Pacific Coast, and at Bananera, on the Atlantic side. This action caused many unfavorable comments among trade unionists, particularly in view of the fact that the three dissolved industrial unions operated in the jurisdiction of the United Fruit Company and of its subsidiary, the International Railway of Central America.

It was, from all points of view, a serious blunder which damaged the prestige of the government among non-Communist trade unionists and cast unfavorable reflections—to put it mildly—on the policy of the two American firms. It is generally accepted that the decree dissolving the banana workers' and the railway workers' unions—the case of the teachers' union is entirely different and can probably be justified—was issued at the insistent request of the management of the American companies.

Disturbed by the protests from among its own strongest trade union supporters, the government subsequently gave public assurances that the workers and employees affected are free to reorganize their own unions and that the same will be recognized and given back the properties of the dissolved organizations as soon as the government is satisfied that the reorganization has been accomplished within the spirit and the political exigencies of the anti-Communist revolution.

The main task of the National Committee for Trade Union Reorganization is now that of promoting in each union the organization of committees that would request the Department of Labor to order new elections in their respective unions. This is being done with the filing of a petition signed by not less than twenty

members, out of whom the Department of Labor selects three to act as an Election Committee. As soon as a new administration is elected and installed, the government will turn over to it all the union funds and properties that are now frozen. Meanwhile, the National Committee for Trade Union Reorganization has been given permission to occupy the headquarters of the dissolved General Confederation of Labor.

Another group of trade unionists, under the leadership of a prominent Catholic layman, attorney Jose Garcia Bauer, former labor judge, has organized the Federation of Independent Unions, with a program based on the social teachings of the Catholic Church. The two groups are developing a program of mutual cooperation and in the railway sector have already set up a joint reorganization committee.

IT WOULD be a mistake to assume that the Communists have disappeared as a labor force in Guatemala. Most of their top leaders have gone underground with a considerable amount of money at their disposal and have already reestablished contact with their followers. This was evidenced by the circulation of the usual slanderous attacks against the representatives of the U.S. labor organizations, whom they accused of being imperialistic agents and what not.

However, it is not likely that the Communists will present lists of candidates, even in disguise, for the top administrative posts in the unions, because the government has clearly stated that no new union administrations containing Communists or fellow travelers will be recognized. The Communists are counting on a small percentage of rank and file members taking part in the union elections—thus discrediting the new administrations—and on an inability on the part of the new leaders to perform effective trade union services.

As I have stated, this is in fact a real danger, because the anti-Communist trade union leadership lacks experience. The Inter-American Regional Organization of Workers (ORIT) will try to remedy this deficiency by offering scholarships to Guatemalan trade unionists to attend its Monterrey, Mexico, seminar during the month of September and is even planning to conduct a special training program in Guatemala

itself in the near future. On the other hand, U.S. unions have suggested to the Foreign Operations Administration that they offer a large number of scholarships to Guatemalan trade unionists to attend the University of Puerto Rico Labor School or to visit the United States for study purposes. This, however, is a long-range program.

To meet the immediate demands, the Confederation of Labor of Cuba has sent to Guatemala, with the blessings of ORIT, a very experienced organizer, Rafael Otero Borlaff, who will remain there for several months at the disposal of the National Committee for Trade Union Reorganization.

Another factor which threatens to make the free trade union activity in Guatemala even more difficult is the policy of wholesale dismissals adopted by a number of large concerns. They plan to eliminate from their industries not only Communist elements but also all those whom they classify as "agitators," meaning every active trade unionist.

If such a policy should be adopted without control or restraint, it would result in the greatest help to the Communist underground because it would probably push into their arms hundreds of trade unionists who would become victims of these wholesale dismissals.

Fortunately, the National Committee for Trade Union Reorganization was reassured by President Castillo Armas, the day before I left Guatemala, that the government is opposed to any policy of wholesale dismissal and would particularly resist any attempt to eliminate from employment those elements that are engaged in legitimate trade union activities.

It is obvious that there are two opposite currents within the new government in regard to trade unionism, one that would like to reduce it to a minimum if not to suppress it altogether, and another that believes in organized labor's usefulness and constructive possibilities and is therefore in favor of strengthening it. All evidences so far indicate that President Castillo Armas himself favors the development of free trade unionism. The powerful and influential Catholic Church is also in favor of maintaining and strengthening the unions, as evidenced by the public statements of the Archbishop of Guatemala, who is regarded as (Continued on Page 31)

THE AMERICAN FEDERATIONIST

The reason for this increase is simple. The company paid *nearly a third of a billion dollars less in taxes* in the first half of this year than last. To be precise, General Motors' tax payments in the first half of 1954 were \$306,498,000 less than in the first half of 1953.

The General Motors experience is by no means unique. Many large companies recorded the same type of downturn in business and upturn in earnings. Others, which succeeded in gaining a small rise in business, enjoyed sizable profit advances far out of proportion to their increased sales volume.

For example, the country's largest chemical manufacturer, duPont, had an 8 per cent decline in sales, but its net profit rose 33 per cent over the 1953 first half.

One of the major rubber manufacturers, Goodrich, reported a 13 per cent drop in sales, but its net profit increased 8 per cent.

The leading producer of photographic supplies, the Eastman Kodak Company, raised its half-year profits almost 25 per cent, although its sales fell off 3 per cent.

Among the major manufacturers with an increase rather than a decrease in sales was the Westinghouse Electric Corporation, the second largest electrical appliance producer in the country. Its first-half sales rose 4 per cent. Its net profits, however, climbed 27 per cent to the highest levels in the company's history.

Another example is that of the Allis-Chalmers Manufacturing Company, major producer of agricultural and heavy industrial equipment. It recorded a profit rise of 29 per cent with less than a 1 per cent rise in sales.

The reports for these industrial giants point up another noteworthy aspect of this year's profit story: The bigger companies generally have fared far better than the smaller ones.

Consider, for example, the highly profitable experience of General Motors in the important auto industry. Its record may have been matched by the huge Ford Motor Company (on which statistics are not made public) but hardly typifies the operating results of other auto producers. The third largest company in the industry, the Chrysler Corporation, suffered a 42 per cent decline in sales and a 64 per cent fall in profits. The smaller

independent producers had equally poor or even worse records.

One major industry in which profits of most companies declined was steel. Here the dominant firm, the United States Steel Corporation, reported a profit decline of almost 11 per cent on a sales volume reduced 13 per cent. Smaller steel companies had larger downturns. Youngstown had a 40 per cent decline, for example, and Allegheny Ludlum had a 56 per cent drop.

It is interesting to note that, although the steel industry has been operating at some 30 per cent below last year's production levels—at some 70 per cent of capacity as compared to just about 100 per cent of capacity last year—the combined net profits of thirty-two major iron and steel companies show a decline of about 16 per cent.

Among other industries for which the National City Bank tabulations showed a profits decline are the following:

Reports of twenty-two leading *textile and apparel* firms showed a falling off of 64 per cent from last year's first-half returns. The *coal mining* industry also has been in a sorely depressed state. The *railroads*, likewise, have been undergoing a sharp falling-off of revenue. The reports of forty-five major railroads show profits 45 per cent below last year.

One industry which has managed to maintain and even increase its profits, despite general fears of a sharp downturn in sales, is the tobacco industry. Profit statements from twelve major companies show that, despite some sales downturns because of the widespread publicity of possible adverse health effects of smoking, profits after taxes, nevertheless, were increased by 10 per cent over the first half of 1953.

The list of manufacturing industries in which combined profits of leading corporations have registered notable upturns include these examples: Some twenty-five *food products* companies had an increase of 18 per cent. In the *paper and allied products* industry, the rise for twenty major companies came to 23 per cent. In *chemicals* the combined net earnings of thirty-two firms went up 9 per cent. And in the *petroleum* industry the increase for twenty-six top companies amounted to 8 per cent.

Dividends for stockholders also climbed despite the general economic decline. According to the Department of Commerce, cash dividends paid by all manufacturing companies in the first six months of 1954 were 6 per cent more than in the same period in 1953.

For all industry, including non-manufacturing, the total rise in dividends came to 7½ per cent.

WHAT, then, are the main highlights of the 1954 profit picture? Although individual companies and some industries operated at a greatly reduced profit level, business as a whole—particularly big business—reaped a remarkably high return in the first half of this year. The profit rise for so many major companies to new record-breaking highs, despite loss of sales and the general economic downturn, is truly a remarkable record.

The elimination of the excess profits tax, probably the major reason for the excellent profit results, has provided a bountiful financial cushion for those companies which probably needed it least.

Most of the gains from increased productivity and other savings in costs during the period went into profits instead of being equitably shared with workers through wage improvements or passed on to the consumers in the form of lower prices.

Corporate giants in whose lap fell most of the 1954 profit bonanza have gained a new and unfair competitive advantage over the smaller enterprises competing with them. Thus concentration of economic power was further advanced while competitive enterprise suffered a setback.

High profits of corporations in the first half of 1954 were won, not earned. They did not come from the healthy source of growing sales supported by expanding consumption.

Growing profits must go hand in hand with rising wages and advancing real income of the great mass of consumers. Corporate policies should be bent toward the goal of balanced growth of the whole economy as the only way to enable productive business to grow and prosper. For it is time for American business leadership to recognize this simple truth: What is good for America is good for business.

LABOR PRESS—A WEAPON FOR PEACE

By LEWIS G. HINES, *A. F. of L. Chairman, Labor Advisory Committee for United Nations Day*

TO HELP the United States gain more friends and a wider understanding of its people in the interest of world peace, the American Federation of Labor this month is launching a new program. Beginning with the September issues, the A. F. of L. will send thousands of copies monthly of various A. F. of L. union publications to approximately eighty-eight nations in all corners of the globe. The magazines are being made available by the A. F. of L. and by affiliated international unions.

President George Meany has endorsed the project as a contribution to international understanding and good will.

"It will help to point up the efforts of the American Federation of Labor itself in the international field for the welfare of our own beloved country and for the cause of world peace," he said.

The undertaking has the support and approval of the United States Information Agency and the United Nations. The project grew out of our participation in the preparations for the celebration of the ninth anniversary of United Nations Day on Sunday, October 24.

One of the great advantages of this "A. F. of L. magazines for friendship" project is that it will be a continuing effort month after month, carrying the A. F. of L. story into strange lands.

Beneath this action lies the conviction that America will be better understood and liked if the masses of people in other nations can see in pictures how we work and live and can read about peaceful intentions and devotion to the ideals of improving the living standards of individuals in our country.

What better place to obtain a true picture of the American working man, his achievements and aspirations, than through the photographs and articles appearing in our excellent union publications?

Under the plan, which has begun with just a few magazines, a participating international union will provide several hundred copies of its publication each month. The maga-

A. F. of L. International Representative George P. Delaney (left) and Mr. Hines (right) discuss the overseas labor magazine project with William F. Schnitzler, the A. F. of L.'s secretary-treasurer, at the Federation's headquarters



Here Mr. Hines has a huddle on the same undertaking with George J. Hummel of the U.S. Information Agency. The rack holds copies of *THE AMERICAN FEDERATIONIST* and various union magazines



zines will be sent to United States information centers in the capitals and major cities of foreign countries. Other A. F. of L. publications will be added to the program as rapidly as possible.

The United States Information Agency has requested all of its offices abroad to advise its headquarters here how many copies of each magazine they can use effectively.

U.S.I.A. Director Theodore C. Streibert says that "even where English is not commonly read or spoken, the illustrations of many magazines depict aspects of American life and culture which aid in countering hostile attempts to distort our objectives."

He has welcomed the program as an example of private cooperation in helping the government's information program to give the true picture of America in foreign lands.

In addition, the A. F. of L. will send copies of the magazines directly to trade union centers, officials and other key personnel through the office of George P. Delaney, A. F. of L. international representative.

Individual union members can help

in yet another way by sending their used copies of their A. F. of L. union magazines or other good used magazines to the United States Book Exchange, Library of Congress Building, Washington 25, D. C. The publications must be up-to-date and in good condition.

The sole objective is to increase the understanding of all the peoples of the world of A. F. of L. aims and achievements, to wipe out misunderstandings and prejudices about the U.S., and to demonstrate that American workers are the brothers of all men in working toward the fullest enjoyment of the individual's liberties.



YOU MUST DO IT IF YOU WANT TO VOTE

THE AMERICAN FEDERATIONIST

George Meany's Labor Day Message

(Continued from Page 8)

nothing policy will turn out to be.

Our economy is still organically sound. It is just undernourished. It needs to sell more and produce more—and that can only happen when there is more purchasing power in the hands of the great masses of our people.

Those who profess to see no great danger in having five or six million people unemployed don't seem to realize that such a condition cuts off the flow of buyers' dollars that keep the wheels of American industry rolling in high gear.

Also deeply disappointing to labor has been the Administration's legislative program. It proved to be neither progressive nor dynamic. Except for modest improvements in the coverage and benefits of social security, our government has not made a single move to build for a better future.

The majority in Congress has shown a repeated and unmistakable urge to provide more for the wealthy and less for workers and small farmers. Past efforts to protect the natural resources of our country from private exploitation were wiped out by the giveaway of undersea petroleum reserves. The Tennessee Valley Authority, whose achievements are the envy of the civilized world, came under direct attack as "creeping socialism." Pressure was generated to turn over the tremendous potentialities of atomic power development to private monopolies, instead of conserving it for the benefit of all the people.

Failure of the Administration to keep its pledge to correct the manifest evils of the Taft-Hartley Act, together with the surplus labor market, poses a definite threat to labor in the coming year. Employers will use this anti-labor instrument with increasing frequency and damage to the nation's workers if economic conditions tighten.

America is still a growing country. We need more homes, modern schools, better roads, more effective flood control and greater power development. These needs should provide a spur to business incentive and opportunities to coming generations. They will not be met if our govern-

ment clings to a shortsighted viewpoint and keeps looking backward instead of ahead.

Labor believes in looking ahead. Fully aware of impending dangers and in line with our basic belief that in unity there is strength, the American Federation of Labor and the C.I.O. have consummated a no-raiding agreement. This agreement was a vital first step toward the eventual and inevitable merger of the two organizations into a single, united American labor movement.

Still looking ahead, the American Federation of Labor will act in a few weeks on a plan to end jurisdictional strife among our own affiliated un-

ions. If this plan is approved, it will strengthen our movement immeasurably.

Again looking ahead, we have redoubled our activity in the political field in anticipation of the Congressional elections this November. We are working for one immediate goal—the election of a progressive and forward-looking Congress. If the workers of this country make certain to register and to vote, we can succeed in reversing the reactionary trend and strengthening our country and the American people for the struggles to come.

Labor believes that life is what we make it. On this Labor Day let us resolve to do everything we can to make it more peaceful, more secure and more rewarding for men and women of good will everywhere.

Report on Guatemala

(Continued from Page 27)

the spiritual leader of the anti-Communist revolution.

There is no agreement among the free trade unionists as to what organizational structure should be given the labor movement of Guatemala in the future. Generally there is an aversion to reconstituting an all-embracing, all-powerful national labor center such as was the Communist-controlled General Confederation of Labor.

The Federation of Independent Unions advocates, for instance, a set-up that would allow more than one national labor confederation so as to afford what they call "a healthy competition in a climate of democracy and freedom." I have heard also suggestions to reorganize the labor movement on the basis of three national federations or confederations, comprising public employes in one group, farm workers in another and industrial workers in the third. All this will

depend, however, on the provisions of the new Labor Code which is being studied carefully in the light of past experiences.

At any rate, the free Guatemalan trade unionists seem determined to avoid repetition of the mistakes which plagued the labor movement under Communist leadership.

I made clear in all my public statements and addresses that the American Federation of Labor has no intention of meddling in the internal affairs of the Guatemalan labor movement, that it wishes to maintain friendly relations with all anti-totalitarian trade unions, and that it is only anxious to assist, when its assistance is required, in the difficult and complicated task of building in Guatemala a free labor movement that would really protect the interests of its members and would be an asset to the economy of the country as a whole.

This New Labor Board

(Continued from Page 13)

gone to the extent of reversing determinations of trial examiners concerning the credibility of witnesses—a matter which prior Boards almost invariably left for the trial examiner to determine.

Several months ago the conserva-

tive magazine *U.S. News & World Report* made the following statement:

"Policy changes of importance to employers and unions are taking place at the National Labor Relations Board. The Taft-Hartley Act as interpreted in the Republican ad-

ministration turns out to have a somewhat different meaning than it had in a Democratic administration. Employers generally look with favor on what is going on."

The last sentence appears to be the understatement of the year. Employ-

ers look not only with favor but with downright joy at what is going on—and with good reason.

Unless there is an about-face on the part of the newly appointed majority, or unless certain members of that majority are replaced by members

whose viewpoint is not clouded by a consistent employer background, there will be, as we have earlier said, no need for the introduction of an employer bill modeled along the lines of the anti-labor committee print of last spring.

The President's Mid-Year Economic Report

(Continued from Page 16)

there is every indication of continued drift in the economic doldrums for the next few months."

Conclusions

The hope is expressed that the White House will return to the publication of genuine, fully documented Economic Reports both at mid-year and at the beginning of each year. These Economic Reports should not become partisan political documents designed to hide the ostrich-like ap-

proach of Congress to the business recession.

Instead of glossing over the deficiencies of Congress, the Reports should point the way toward full production and full employment by recording all the known economic facts.

The time has come when not only the Council of Economic Advisers should be kept out of politics but the annual and mid-year Economic Reports should be kept within this charmed circle.

Too Much Bunk for Them?

The August 27 issue of *U.S. News & World Report*, on its "Washington Whispers" page, says:

"Arthur Burns and others on the Council of Economic Advisers to the President held back from signing Mr. Eisenhower's latest report on the economic outlook. They are described as feeling that this report was not strictly economic but had political overtones."

Railroad Workers Make Progress

(Continued from Page 11)

present rules and practices would not be disturbed.

A number of difficulties were encountered in attempting to work out a satisfactory application of some of the employees' proposals to the dining car employees with the result that a different settlement was reached for these employees.

While parties to the general agreement, they are covered by a separate memorandum which provides for the application of the settlement signed previously by the operating employees.

In addition to a third week's vacation after fifteen years of service, this memorandum provides for an increase in wage rates of five cents an hour effective December 16, 1953, and the inclusion in the basic rates of the increase payable under the escalator clause of the March 1, 1951, agreement which was canceled with respect to these employees.

Participating in this movement were the international organizations affiliated with the Railway Employees' Department, American Federation of Labor, including the International Association of Machinists, the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, the Sheet Metal

Workers International Association, the International Brotherhood of Electrical Workers, the Brotherhood of Railway Carmen of America and the International Brotherhood of Firemen and Oilers.

Other organizations participating were the Brotherhood of Railway and Steamship Clerks, the Brotherhood of Maintenance of Way Employees, the Order of Railroad Telegraphers, the Brotherhood of Railroad Signalmen, the National Organization of Masters, Mates and Pilots, the Marine Engineers Beneficial Association and the Hotel and Restaurant Employees.

Throughout the proceedings which led to the agreement, the carriers vig-

orously fought the establishment of any health and welfare program. The establishment of an industry-wide plan constitutes a significant victory for the employe organizations.

In addition to the other improvements in working conditions secured, the health and welfare program just negotiated providing for hospital, surgical and medical benefits—together with the Railroad Retirement Act, providing for regular and disability annuities for employes as well as annuities and other benefits for their dependents, and the Railroad Unemployment Insurance Act, providing for unemployment and sickness benefits—will round out a well-integrated program of benefits for railroad employes.

Thus, the organized railroad workers of the land, through their unions, continue their march of progress.

The Social Security Amendments

(Continued from Page 23)

reach age 65, we assure you payment of full retirement benefits."

Other important additions needed are:

(1) The limit on annual wages on which contributions are based should be raised from \$4200 to at least \$6000.

(2) An increment of $\frac{1}{2}$ of 1 per

cent should be added to the primary benefit for each year a worker participates in the system.

(3) For each year in which a worker continues in active employment beyond the age of 65, his benefit should be increased by 2 per cent per year.

(4) Workers' benefits should be

computed on their best ten consecutive years of employment.

(5) Age of eligibility for women (both wives of retired workers and working women) should be reduced to 60 years.

(6) Remuneration received in the form of tips should be counted as wages.

To some these additional improvements may appear Utopian. Actually they are carefully considered proposals developed in recognition of present-day needs of the people dependent on the system for their basic security and the capacity of our dynamic economy to provide for these needs.

Moreover, the membership of American Federation of Labor unions has repeatedly expressed its willingness to pay the workers' share of the

Article Coming on Railroad Changes

The amendments to the Railroad Retirement Act referred to in Mr. Cruikshank's article are minor and technical in nature. They provide mainly for continuing the existing relationship between OASI and Railroad Retirement. However, this Congress

also enacted measures substantially improving the retirement and unemployment compensation programs covering railroaders. The AMERICAN FEDERATIONIST plans to carry an authoritative article describing these changes in full detail in an early issue.

moderate increase in cost these improvements would entail.

In his column of June 28, commenting on President Meany's request of the Senate Finance Committee to raise the wage base to \$6000, Fred W. Perkins, Scripps-Howard staff writer, said " * * * the record shows that many A. F. of L. recommendations on social security have become

government policy eventually, so that the proposal * * * is not fantastic."

Our job in the next sessions of Congress is to demonstrate the truth of Mr. Perkins' observation.

Reprints of this article will be available shortly. Please address requests and inquiries to the American Federation of Labor, Washington 1, D. C.

CEMENT WORKERS' FIGHTS OF 1954

By WILLIAM SCHOENBERG

President, United Cement, Lime and Gypsum Workers International Union

THIS year, more than in former years, the members of our organization had a real opportunity to experience the lack of a friendly political administration in the nation's capital as well as in some of the Eastern state administrations.

In past years annual contract negotiations have also consumed two and three months, as the majority of the contracts expire during the late spring months and negotiations on the part of chains of multi-plant companies are conducted usually by one, and only in a few cases by two, so-called labor relations directors.

This year in particular this condition became cumbersome because of the scattered location of the cement plants and quarries throughout the land, and by the concentrated trouble area in the East, which prompted the large Portland cement companies to keep their labor relations directors close to home in the most directly affected areas.

Strange as it may seem, when any of the mentioned public authorities, including the military, entered the controversy, it was not with the intention of assisting to find a formula to help the workers, but more often it was in a spirit to make labor submit and accept the proposals of the companies, in order to stop interference with cement production.

Under such conditions the union

was unable to prevent a veritable wave of strikes in many of the largest Portland cement producing plants in the East, particularly in New York State, Pennsylvania and adjoining territories.

Never before were we confronted with so many cement plants and quarries on strike, and never before did our union have so many thousands of its members on strike at approximately the same time.

While a request for a reasonable hourly wage increase and minor individual local issues entered the negotiations here and there, one of the contributory reasons for the strikes was a united employer front against the human and equitable formula of applying the new agreement with regard to wages, overtime and other conditions finally agreed upon, retroactive to the expiration date of the former agreement.

In justice to many cement companies throughout the United States and Canada, it must be stated that where retroactivity was assured to the workers, no strikes were resorted to, but where retroactivity became the issue, strike authorization was granted by our general executive board and full strike benefits were paid from the international treasury.

At the time this is being written, each and every strike has been settled. While the workers have gained substantial improvements in working



MR. SCHOENBERG

conditions and fringe benefits, as well as wage increases ranging from a minimum of five cents and up, the all-important bone of contention, retroactivity, was not resolved.

It was given up, but temporarily only. It is the first time that something which our members have enjoyed since our organization was established had to be given up. I say, again, temporarily, for I am confident that our international union convention, which is meeting one month after the Los Angeles convention of the American Federation of Labor, will deal further with the end-results of the 1954 contract negotiations in the Portland cement industry.

Should U.S. Ships Get Off the Ocean?

(Continued from Page 25)

shipyards on the Atlantic, Gulf and Pacific Coasts.

Information from the Department of Labor shows that private shipbuilding construction and repair yards employed in April only 113,000 workers. Since April there has been a further decline, so that today's employment is substantially lower. In the North Atlantic area alone, shipyard employment has dropped 33 per cent in less than two years.

There is some hope for improvement in the immediate future as a result of the action of the Eighty-third Congress, which enacted legislation which should provide some relief.

Appropriations were passed making possible the trading in of obsolete tankers and the building of new ones, the construction of additional passenger vessels and also the conversion of four Liberty ships. In addition, an appropriation of \$30,000,000 was made for tankers to be built by private companies and operated under charter by the Military Sea Transport Service. An enabling act and an appropriation of \$12,000,000 were put through for the immediate reconstruction of Liberty and Victory ships now in the "mothball fleet."

A ship mortgage financing bill insuring mortgages for merchant vessels was also passed, and of great importance to the shipbuilding, ship repair and ship operating unions was the so-called 50-50 bill, providing that 50 per cent of foreign aid products from the United States shall be carried in American bottoms.

These proposals are most encouraging and will go far toward relieving a most serious national problem.

Why is it that Congress should take this action? This industry is not devoting its facilities to the production of fur coats, television sets or even automobiles. If such were the case, the drop of employment and loss of production, while naturally a matter of serious concern to those directly involved, might not require the specific attention of Congress.

In this case Congress is dealing with an industry which has suffered a catastrophic loss of employment and an industry which is operating directly in the national interest. The shipbuilding facilities of the nation are

part and parcel of our nation's defense program. The success of any wartime overseas operation depends directly on the availability of speedy modern vessels to transport both men and equipment.

Considerations of national defense require that this country maintain sufficient shipbuilding facilities and employ sufficient skilled workers to constitute a nucleus of facilities and manpower adequate for rapid expansion in the event of full mobilization.

With this objective I think we can all agree. The problem in the past has been to determine at exactly what minimum level of activity the shipbuilding industry must be maintained.

A special study entitled "Maritime Subsidy Policy," contained in a report of last April prepared by the Office of the Undersecretary of Commerce for Transportation and the Maritime Administration, devotes one section to the problem of maintaining the necessary personnel in the country's major shipyards. The report says:

"Total employment in the construction of merchant ships in large coastal yards is estimated to average 23,000 during 1953. * * * In 1954 it is estimated that the average employment will drop to approximately 10,800 workers. In 1955 all merchant ships now under contract will be completed and employment will drop to about 1,200 workers."

A significant part of the report is its analysis of the manpower requirements necessary in the event of full mobilization. The conclusions speak for themselves:

"It is estimated that a direct and indirect labor peak of 435,000 shipyard workers will be needed after M-Day for the construction of merchant ships of 400 feet and over. In addition, 44,000 employes will be required for the construction of smaller merchant type ships in the inland and Great Lakes shipyards. As a result, 479,000 workers will be required, whereas about 650,000 were employed at the World War II peak. This estimate is for merchant ship construction only and does not include Navy Department or ship repair needs."

To make possible this wartime expansion, the report points out that peacetime employment must provide

a "mobilization nucleus" of workers below which employment should not be allowed to fall. Based on the experience gained during World War II, the report concludes: "Thirty-six thousand workers should be employed during peacetime in merchant ship construction."

This minimum manpower requirement of 36,000 workers is substantially above present employment on merchant ship construction. As the report states:

"Unless a program of new construction is undertaken promptly, the number of shipyard workers employed in merchant ship construction will drop far below the level needed to provide a mobilization nucleus."

How can this mobilization nucleus be maintained? The report is very specific on this point:

"A construction program of sixty oceangoing ships a year would maintain the American shipbuilding industry at sufficient strength to provide a nucleus of shipyard manpower capable of expansion to meet estimated mobilization requirements."

This program has the support of the Metal Trades Department and of the entire American Federation of Labor. It is a program specifically recommended by the most up-to-date and comprehensive analysis of this nation's shipbuilding policies. If America is to have available the minimum shipbuilding facilities and employment necessary for national defense, this program is absolutely essential.

America's merchant marine faces direct competition for hauling cargo and personnel across the oceans of the world. So long as the cost of ship construction is at least 30 per cent lower outside the country and so long as the cost of operation is only one quarter as high under foreign ownership, the American merchant marine simply cannot compete against that of foreign countries.

Should American ships get off the ocean? Or should we recognize that national defense requires a thriving merchant marine, particularly at a time when we face the threat of further Communist aggression?

The choice is simple. Either decide to liquidate the nation's oceangoing fleet or develop a comprehensive program to place America's merchant marine on a basis where it can compete with foreign countries.

Labor NEWS BRIEFS

►The Insurance Agents and the American National Insurance Company have negotiated a new accord for agents in twenty-four states and the District of Columbia. The contract increases the agents' compensation, improves disability benefits and guarantees renewal commissions after retirement.

►New York knitgoods workers, represented by Local 155 of the Ladies' Garment Workers, have renewed agreements with employers. Pay hikes and reduced working hours are included in the pacts.

►Arizona Local 3 of the Bricklayers has extended its contract with the Arizona Consolidated Masonry and Plastering Contractors Association, Phoenix. The wage scale remains at \$3.50 an hour.

►Division 1436, Street Railway Employees, has reached agreement with the Harrisburg, Pa., Railways Company on wage increases and fringe benefits after a three-month strike.

►Division 14, Commercial Telegraphers, has completed contract negotiations with the Associated Press. The accord provides increased benefits totaling \$5.70 a week.

►A new contract providing a general wage increase and other benefits has been negotiated by Local 906, Auto Workers, A. F. of L., at Devoe and Raynolds Company, Louisville, Ky.

►Local 472, Cement Masons, Rochester, Minn., has obtained a wage increase bringing the scale up to \$2.40 an hour.

►Local 424, Butcher Workmen, has been successful in organizing some of the large independent chains in the Pittsburgh area.

►Local 2, Office Employees, has won an NLRB representation election at the Continental Baking Company, Washington, D. C.

►Local 17 of the Asbestos Workers has gained increased wages and welfare contributions in Chicago. Six hundred members are affected.

►Local 32B, Building Service Employees, New York City, told its story on television in connection with its twentieth anniversary. Members of Local 32B described in their own words what union membership has done for building service workers in the great city.

►Local 375, Butcher Workmen, has reached an agreement with the Silver Lake Packing Company, Scranton, Pa., calling for a pay hike, improved vacation plans and an additional paid holiday.

►A general wage increase and increased sickness and accident benefits are included in a new accord between the Paper Makers and six International Paper Company mills in New York, Maine and Pennsylvania.

►Improved working conditions and a better vacation plan are called for in an agreement between the Insurance Agents and the Monumental Life Insurance Company in Maryland and Missouri.

►Local 399, Building Service Employees, has negotiated a new contract with food markets in Los Angeles. The agreement calls for a wage increase for 400 workers.

►A wage increase amounting to \$50 a month has been obtained in a contract renewal between Local 243, Office Workers, and Wiseman's Appliances in Berkeley, Calif.

►Wage boosts and fringe benefits are included in a contract renewal between District 9, Machinists, and the Selb Manufacturing Company in St. Louis.

►Local 129, Laundry Workers, has negotiated a new agreement with Detroit, Mich., domestic laundries calling for a general wage increase.

►Local 29, Office Employees, has won higher wages in five separate agreements at Oakland and Sacramento, Calif.

►Local 344 of the Retail Clerks has negotiated two contracts at Alton, Ill., calling for increases in wages.

►Local 324, Retail Clerks, has won an arbitration award in Long Beach, Calif. The arbitration board ruled that new employees of Safeway stores are entitled to full holiday pay even during their first week of employment.

►Eleven hundred union plumbers in Arizona, members of Local 469, Phoenix, and Local 741, Tucson, have obtained a twenty-cent hourly increase under terms of an agreement with the Associated Plumbing Contractors of Arizona.

►The Electrical Workers in Indiana have achieved an improved hospitalization plan and higher wages in a new pact with the Radio Corporation of America. Nine thousand workers will benefit from the contract.

►Local 36, Asbestos Workers, has reached an agreement with the Insulation Contractors Association, Portland, Ore., after a three-week strike. The settlement boosts wages for 100 members.

►Lodge 1265 of the Machinists has renewed its contract with the Potash Company of America, Carlsbad, N. M. Pay hikes and fringe benefits highlight the pact.

►A pension program and a pay boost are featured in a pact between Local 370 of the Upholsterers and the Indian Head Millwork Corporation, Nashua, N. H.

►The Hod Carriers and Building Laborers in the Chicago area have won a wage hike of fifteen cents an hour. Fifteen thousand men are affected.

►Wage increases have been won by Local 219, Retail Clerks, at the A. and P., Kroger and Tri-City Food Markets in Belleville, Ill.

►Local 55, Butcher Workmen, has won a representation election at the Ready Foods Provision Company, Chicago.

►The Idaho Supreme Court has upheld labor's charge that the phrase "right to work," when applied to anti-

union legislation, is a complete misnomer. Its decision has resulted in killing proposed legislation for this year.

Wage scales of union workers in the building trades rose 1.6 per cent during the second quarter of 1954, says the Bureau of Labor Statistics. Wage scales rose 2.6 per cent in the corresponding period of 1953, according to the B.L.S.

Employees of the U.S. Hoffman Machinery Corporation at Scranton, Pa., have chosen the Machinists as their bargaining representative. The other union involved in the NLRB election was the C.I.O. Steel Workers.

Local 770, Retail Clerks, has been meeting with the University of California at Los Angeles on a program to teach clerks about mark-ups, profits and displays on all phases of food retailing.

Plans are under way for the amalgamation of two Office Employees' organizing conferences in the Middle West. The two conferences cover Minnesota, Wisconsin, Illinois, Indiana, Iowa and Nebraska.

Local 3, Electrical Workers, has won pay boosts and fringe benefits at General Electric Appliance Corporation, New York City.

Lodge 332, Machinists, has won a representation election, 85 to 6, at Excel Metal Cabinet Company, Jamestown, N. Y.

Local 86, Electrical Workers, has boosted wages in a one-year pact with the Electrical Contractors Association, Rochester, N. Y.

Local 272, Plasterers and Cement Masons, has gained wage boosts at Shawnee, Okla.

The Chemical Workers have won an NLRB election at the Kennedy Mill, Kennedy, Tex.

Local 150 of the Painters has gained a ten-cent hourly increase in Rochester, N. Y.

Local 300, A. F. of L. Auto Workers, has been chartered at the A. R. A. Company, Fort Worth, Tex.

Local 1928, Upholsterers, has won a pension program at the National Casket Company in Asheville, N. C.

Local 75, Tile and Marble Helpers, has won a ten-cent hourly pay boost in Rochester, N. Y.

New locals have recently been chartered by the Butcher Workmen in New York City and Aberdeen, S. Dak.

Local 13, Office Employees, has signed a first contract with the American Lithofold Corporation, St. Louis.

Local 611, Electrical Workers, is developing a skill-improvement program in welding for its members.

American Federation of Labor Financial Report

July 1, 1953 - June 30, 1954

R E C E I P T S

Balance on hand, June 30, 1953.....	\$1,520,858.01
Per capita tax.....	\$4,735,606.32
Per capita tax subscriptions, American Federationist	322,957.34
Paid subscriptions, American Federationist	2,687.57
Per capita tax from locals allocated to Defense Fund	184,306.24
Initiation fees	50,119.41
Reinstatement fees	1,255.52
Supplies	17,599.49
Interest	18,361.46
Premiums on bonds of officers of unions bonded through A. F. of L.	35,905.22
Subscriptions, A.F.L. News-Reporter.....	18,549.04
Disbanded and suspended unions and miscellaneous receipts.....	55,651.09
Property exchange, St. John's Church.....	139,962.07
Total receipts.....	5,582,960.77
Grand total.....	\$7,103,818.78

E X P E N S E S

Organizers' expenses.....	\$ 755,419.51
Organizing expenses.....	945,373.14
Salaries:	
Organizers	868,193.77
Office employees	
A. F. of L.	485,044.24
W.E.B.	27,121.53
L.L.P.E.	115,952.46
Administrative	
A. F. of L.	244,345.57
L.L.P.E.	20,000.00
Miscellaneous General Bills	
A. F. of L.	1,459,966.21
W.E.B.	31,147.49
L.L.P.E.	102,131.19
American Federationist.....	167,413.57
A.F.L. News-Reporter.....	107,564.62
Defense Fund.....	69,220.00
Premiums on bonds of officers of unions bonded through A. F. of L.	27,922.67
New building construction.....	61,456.01
Total expenses.....	\$5,488,271.98
Balance on hand, June 30, 1954.....	\$1,615,546.80

R E C A P I T U L A T I O N

In General Fund.....	\$ 997,946.18
In Defense Fund for federal labor unions.....	617,600.62
Balance on hand, June 30, 1954.....	\$1,615,546.80

WILLIAM F. SCHNITZLER,
Secretary-Treasurer.

SUMMER DOINGS—III

THE boys who had come to Randy's rescue made their way as carefully as possible. After a while it became necessary to shift the load of the stretcher. Mr. Walter and Ross exchanged the gear they were carrying with Tom and Pete, and Dan and Ralph exchanged sides with each other.

"We'll take it this way for a while, then Tom and Pete can spell you two as soon as they get a little relief," said Mr. Walter. Then, turning to the injured boy, whose leg was evidently broken, he said: "How goes it, Randy?"

"Not too bad," the boy answered through clenched teeth.

As they neared the lake the others heard them and ran to meet them.

"Hey!" shouted Carl, who was in the lead. "Somebody's hurt."

The rest gathered around and gave what assistance they could while they fired questions and learned the details of the accident.

"We'll have to get Randy into town at once," said Mr. Walter. To Mr. Jackson he said: "I think he has a bad break."

The two men had moved off to one side, and Randy couldn't hear them.

"One of us can drive him in and one of us can stay here with the others," Mr. Walter said. "Maybe one of the boys had better ride along, too, in case we need an extra hand. There's a little store near the fork to the main road, and we could call Randy's folks and have them meet us at the hospital."

So it was arranged. Mr. Walter, with Mr. Jackson's assistance, managed to get the injured boy into the back seat of the car. Then Ross and Mr. Walter seated themselves in the front. Mr. Jackson and the others waved them off. Slowly the car moved over the forest road, which fortunately was not too rough. As they came to the little store Ross jumped out and made the call to Randy's home.

"Mrs. Carruthers, this is Ross. I'm

calling to tell you that Randy had sort of an accident and it looks like he has a broken leg. Mr. Walter and I are driving in with him, and Mr. Walter wants to know, should we meet you at the hospital or what?"

"Goodness!" gasped Mrs. Carruthers. "Wait a minute, Ross," she said weakly. After a moment she said: "Tell me again."

Ross repeated the message.

"And Mr. Walter said for you to get the doctor ready because Randy really hurts," he added.

"Ross, we'll meet you at the hospital. I'll call the doctor. Thanks, Ross. I'll see you." And Randy's mother hung up.

Mrs. Carruthers immediately called her husband at his place of work. He arranged to meet her and the boy at the hospital.

As Mr. Walter brought the car to a stop at the ambulance entrance of the hospital, Randy's father and mother were there. An orderly came up and said:

"Dr. Foster is waiting inside."

Randy smiled when he saw his mother and father, and he was grateful for the presence of the doctor who had taken care of him since he was a little fellow.

Mr. Walter and Ross stayed at the hospital until Randy was in his room and resting comfortably in a cool, white bed.

Mr. and Mrs. Carruthers were deeply grateful to both Mr. Walter and Ross for their assistance and their care of Randy.

When the man and boy drove back to camp, it was almost dark. All the boys were eager to hear news of the injured member of their party. They were glad to have the report which Ross and Mr. Walter brought back.

"Well, now that things are in order," said Mr. Jackson, "I think we can go on with our fish fry. We were holding off as long as we could and not perish from starvation, hoping you would be in time to join us."

"And we're almost starved ourselves," said Ross. "Of course, I hadn't thought about food until just now. Let's get on with it."

The next day the teams returned to town without mishap after having spent a restful and uneventful night. In fact, they had slept so soundly that awakening them during the night, had that been necessary, would have been extremely difficult.

The teams, coming in within a short time of one another, were all accounted for as they met at the union hall late the next afternoon. There was to be a small prize for the winning team, but since all the boys had had so nearly the same record of achievement, it was difficult to decide which team should receive the award.

"There is one person who made an outstanding achievement," said Carl. "I recommend that the prize go to Randy. His broken leg was really the big event of the trip."

"Good idea!" said Pete.

"Yeah, let's fix up a card for him," said Tom.

"I picked up a little turtle for him," came from Ralph. "I have it right here in this box."

"I found this shell for him," said Ross.

"Our team has some nice rocks to add to his rock collection," announced Bob, showing a full box to the others.

"We gathered some plant specimens for him," Carl said. "Let's make up the set for him and also give him the prize."

There were no dissenting voices.

How Randy smiled when he was presented with the collections and as he read the card:

For Outstanding Achievement

Even a broken leg has its compensations!

The American Federation of Labor will be glad to send worthwhile free literature about the labor movement to any girl or boy who is interested in the subject. To obtain this free material, please mail your name and address to Junior Union, 901 Massachusetts Ave., Washington 1, D. C.

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